

# Final Decision on PowerStream Merger

## Issued Sept. 3 Expected in October 2015

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Within the next two weeks, Markham's General Committee and Council will receive the recommendations of its Holding Company, Markham Enterprises Corporation (MEC), and the Staff Report on the proposed merger of PowerStream, Enersource and Horizon Utilities, and the purchase of Hydro One Brampton.

The MEC Board will receive its Staff Report on September 30, 2015 and MEC's final decision will be tabled at General Committee and Council.

The General Committee meeting has been set for October 7, 2015, and the Council meeting date is scheduled for October 14, 2015.

The public will be invited to attend General Committee and Council to make deputations on the recommendations. In advance of the meetings, information about the merger transaction will be posted on the City's website, in the Toronto Star TBC, the Economist and Sun and other local media.

On April 16, 2015, the Government of Ontario announced negotiations were underway for a potential three-way merger of PowerStream Holdings Inc., Enersource Corporation and Horizon Utilities Corporation, and the purchase of Hydro One Brampton Networks Inc. from the Province.

The three PowerStream shareholders, the cities of Markham, Vaughan and Barrie (and their Holding Companies) have partnered to evaluate the proposed merger transaction. Navigant Inc. and BDR North America have been retained to provide independent advice and

financial due diligence, and Gowlings LLP has been retained to undertake legal due diligence.

The City of Markham owns 100% of MEC, which in turn, owns 34.2% of PowerStream Holdings Inc. MEC is governed by a Board of Directors, comprised of the 13 Markham Councillors.

The MEC Board has held numerous meetings in the past five months, to review details of the proposed merger and consider financial and legal advice on the potential transaction.

On September 3, 2015, an update on merger activity was posted in the City Page of the Economist and Sun and on the City's website. An earlier staff report was received at Markham's General Committee on May 26, 2015, and Council on June 15, 2015, describing the proposed transaction, including the expected timelines for approval and completion, and the negotiation and decision-making process.

Unanimous shareholder approval of the merger is required for the transaction to proceed. The transaction must also be approved by the Ontario Energy Board.

Holding companies for the cities of Vaughan and Barrie have already approved the proposed merger and reports have been received by their respective council committees. Final Council decisions in Vaughan and Barrie are expected by XXX. Decisions by Mississauga, Hamilton and St Catharines Shareholders and municipal Councils are expected to be finalized by XXX.

