



City of Hamilton
HAMILTON ENTERPRISES HOLDING CORPORATION
SHAREHOLDER
AGENDA

Date: June 8, 2023

Time: 9:30 a.m.

Location: Council Chambers
Hamilton City Hall
71 Main Street West

Angela McRae, Legislative Coordinator (905) 546-2424 ext. 5987

1. APPROVAL OF AGENDA

(Added Items, if applicable, will be noted with *)

2. DECLARATIONS OF INTEREST

3. APPROVAL OF MINUTES OF PREVIOUS MEETING

3.1 June 17, 2022

4. COMMUNICATIONS

4.1 Correspondence from Hamilton Enterprises Holding Corporation, respecting Hamilton Enterprises Holding Corporation Executive Overview

Recommendation: Be received.

5. PRESENTATIONS

5.1 2023 Hamilton Enterprises Holding Corporation - Annual General Meeting

6. SHAREHOLDER RESOLUTIONS

6.1 Audited Consolidated Financial Statements of Hamilton Enterprises Holding Corporation - Year Ended December 31, 2022; Appointment and Remuneration of Auditor; Directors of the Corporation; Addition of Clarifying Language to USD

7. PRIVATE AND CONFIDENTIAL

8. ADJOURNMENT



**HAMILTON ENTERPRISES HOLDING CORPORATION
SHAREHOLDER
ANNUAL GENERAL MEETING
MINUTES 22-001**

9:30 a.m.

June 17, 2022

Council Chambers, 2nd Floor

Hamilton City Hall

71 Main Street West, Hamilton, Ontario

-
- Present:** Mayor F. Eisenberger (Chair)
Councillors M. Wilson, J. Farr, N. Nann, R. Powers, E. Pauls,
B. Clark, Ferguson, A. VanderBeek, J. Partridge
- Absent:** Councillors J.P. Danko, B. Johnson – Other City Business
Councillor T. Jackson, S. Merulla, M. Pearson, T. Whitehead – Personal
-

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. **Consolidated Financial Statements – Year Ended December 31, 2021; and, Appointment and Remuneration of Auditor (Item 6.1)**

(Partridge/Powers)

 - (a) **Audited Financial Statements – Year Ended December 31, 2021**
 - (i) That the Audited Consolidated Financial Statements of the Hamilton Enterprises Holding Corporation for the year ended December 31, 2021 (attached hereto as Appendix “A”), as approved by the Board of Directors of the Corporation, be received; and,
 - (b) **Appointment and Remuneration of Auditor**
 - (i) That the present auditor of the Hamilton Enterprises Holding Corporation (Corporation), KPMG LLP, be appointed as the auditor of the Corporation for the 2022 fiscal year of the Corporation at a

remuneration to be fixed by the Directors of the Corporation, the Directors of the Corporation being hereby authorized to fix such remuneration.

Result: Motion CARRIED by a vote of 10 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann
Absent	-	Ward 4 Councillor Sam Merulla
Yes	-	Ward 5 Councillor Russ Powers
Absent	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Absent	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark
Absent	-	Ward 10 Councillor Maria Pearson
Absent	-	Ward 11 Councillor Brenda Johnson, Deputy Mayor
Yes	-	Ward 12 Councillor Lloyd Ferguson
Yes	-	Ward 13 Councillor Arlene VanderBeek
Absent	-	Ward 14 Councillor Terry Whitehead
Yes	-	Ward 15 Councillor Judi Partridge

2. Appointment of the Directors of the Hamilton Enterprises Holding Corporation (Item 7.1)

(Ferguson/Farr)

- (a) That the direction provided to staff in Closed Session respecting the Appointment of the Directors of the Hamilton Enterprises Holding Corporation, be approved; and,
- (b) That the direction provided to staff in Closed Session respecting Appointment of the Directors of the Hamilton Enterprises Holding Corporation, remain confidential until approved by Council.

Result: Motion CARRIED by a vote of 10 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann
Absent	-	Ward 4 Councillor Sam Merulla
Yes	-	Ward 5 Councillor Russ Powers
Absent	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Absent	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark

Absent	-	Ward 10	Councillor Maria Pearson
Absent	-	Ward 11	Councillor Brenda Johnson, Deputy Mayor
Yes	-	Ward 12	Councillor Lloyd Ferguson
Yes	-	Ward 13	Councillor Arlene VanderBeek
Absent	-	Ward 14	Councillor Terry Whitehead
Yes	-	Ward 15	Councillor Judi Partridge

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised that there were no changes to the agenda:

(Partridge/Pauls)

That the agenda for the June 17, 2022 Hamilton Enterprises Holding Corporation Annual General Meeting, be approved, as presented.

Result: Motion CARRIED by a vote of 10 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann
Absent	-	Ward 4 Councillor Sam Merulla
Yes	-	Ward 5 Councillor Russ Powers
Absent	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Absent	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark
Absent	-	Ward 10 Councillor Maria Pearson
Absent	-	Ward 11 Councillor Brenda Johnson, Deputy Mayor
Yes	-	Ward 12 Councillor Lloyd Ferguson
Yes	-	Ward 13 Councillor Arlene VanderBeek
Absent	-	Ward 14 Councillor Terry Whitehead
Yes	-	Ward 15 Councillor Judi Partridge

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)**(i) December 10, 2021 (Items 3.1)****(Powers/Wilson)**

That the Minutes of the December 10, 2021 Hamilton Enterprises Holding Corporation Shareholder meeting, be approved, as presented.

Result: Motion CARRIED by a vote of 10 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann
Absent	-	Ward 4 Councillor Sam Merulla
Yes	-	Ward 5 Councillor Russ Powers
Absent	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Absent	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark
Absent	-	Ward 10 Councillor Maria Pearson
Absent	-	Ward 11 Councillor Brenda Johnson, Deputy Mayor
Yes	-	Ward 12 Councillor Lloyd Ferguson
Yes	-	Ward 13 Councillor Arlene VanderBeek
Absent	-	Ward 14 Councillor Terry Whitehead
Yes	-	Ward 15 Councillor Judi Partridge

(d) COMMUNICATIONS (Item 4)**(i) Hamilton Enterprises Holding Corporation Board Member Profiles (Item 4.1)****(Clark/Powers)**

That the correspondence, respecting Hamilton Enterprises Holding Corporation Board Member Profiles, be received.

Result: Motion CARRIED by a vote of 10 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann
Absent	-	Ward 4 Councillor Sam Merulla
Yes	-	Ward 5 Councillor Russ Powers
Absent	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Absent	-	Ward 8 Councillor J. P. Danko

Yes	-	Ward 9	Councillor Brad Clark
Absent	-	Ward 10	Councillor Maria Pearson
Absent	-	Ward 11	Councillor Brenda Johnson, Deputy Mayor
Yes	-	Ward 12	Councillor Lloyd Ferguson
Yes	-	Ward 13	Councillor Arlene VanderBeek
Absent	-	Ward 14	Councillor Terry Whitehead
Yes	-	Ward 15	Councillor Judi Partridge

(e) PRESENTATIONS (Item 6)

(i) Hamilton Enterprises Holding Corporation (Item 6.1)

Laurie Tugman, Chairman of the Board, Hamilton Enterprises Holding Corporation; and, Jeff Cowan, President and CEO of Hamilton Enterprises Holding Corporation, addressed Committee and provided a PowerPoint presentation respecting the Hamilton Enterprises Holding Corporation.

(Partridge/Ferguson)

That the Presentation respecting, Hamilton Enterprises Holding Corporation, be received.

Result: Motion CARRIED by a vote of 10 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann
Absent	-	Ward 4 Councillor Sam Merulla
Yes	-	Ward 5 Councillor Russ Powers
Absent	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Absent	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark
Absent	-	Ward 10 Councillor Maria Pearson
Absent	-	Ward 11 Councillor Brenda Johnson, Deputy Mayor
Yes	-	Ward 12 Councillor Lloyd Ferguson
Yes	-	Ward 13 Councillor Arlene VanderBeek
Absent	-	Ward 14 Councillor Terry Whitehead
Yes	-	Ward 15 Councillor Judi Partridge

(f) ADJOURNMENT (Item 8)

(Partridge/Powers)

That, there being no further business, the Hamilton Enterprises Holding Corporation Shareholder meeting, be adjourned at 10:35 a.m.

Result: Motion CARRIED by a vote of 10 to 0, as follows:

Yes	-	Mayor Fred Eisenberger
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Jason Farr
Yes	-	Ward 3 Councillor Nrinder Nann
Absent	-	Ward 4 Councillor Sam Merulla
Yes	-	Ward 5 Councillor Russ Powers
Absent	-	Ward 6 Councillor Tom Jackson
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Yes	-	Ward 9 Councillor Brad Clark
Absent	-	Ward 10 Councillor Maria Pearson
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Yes	-	Ward 12 Councillor Lloyd Ferguson
Yes	-	Ward 13 Councillor Arlene VanderBeek
Absent	-	Ward 14 Councillor Terry Whitehead
Yes	-	Ward 15 Councillor Judi Partridge

Respectfully submitted,

Mayor Fred Eisenberger, Chair
Hamilton Enterprises Holding
Corporation Shareholder

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk



Hamilton Enterprises Holding Corporation

Corporate Overview

June 2023

Executive Summary

This executive summary has been prepared to provide an overview of Hamilton Enterprises Holding Corporation (HEHCo) and its subsidiary businesses operating under the brand of Hamilton Community Enterprises (HCE).

HCE provides community-focused, low-carbon energy and mission-critical data solutions across the Greater Toronto Hamilton Area. With expertise that integrates across thermal energy (District Energy & Geo-Exchange), electrical (Co-Generation, Solar) and data (fibre optic and wireless), HCE is uniquely positioned to design and operate an innovative mix of services targeted towards efficiency, resiliency and sustainability that enables the communities, and businesses within them to combat the effects of climate change and to break down the barriers towards accessing broadband and digital services.



Figure 1. HEHCo Director Composition

HEHCo is a holding company wholly owned by the City of Hamilton, incorporated and existing under the Ontario Business Corporation Act. A Unanimous Shareholders Declaration governs the activities of HEHCo and its subsidiaries companies. There's an independent Board of Directors comprised of the Mayor or Mayor Surrogate and six Private Director appointees with skills, expertise and executive-level experience in the energy and technology sectors. (See Figure 1 for the current Director composition)

HEHCo is a distinct and separate entity from Hamilton Utilities Corporation (HUC) and was formed in 2017 after the merger of Horizon Utilities to form Alectra. All commercial business activities reside in HEHCo, while HUC's sole purpose is to manage the City of Hamilton's 17.3% principal ownership in Alectra Utilities.

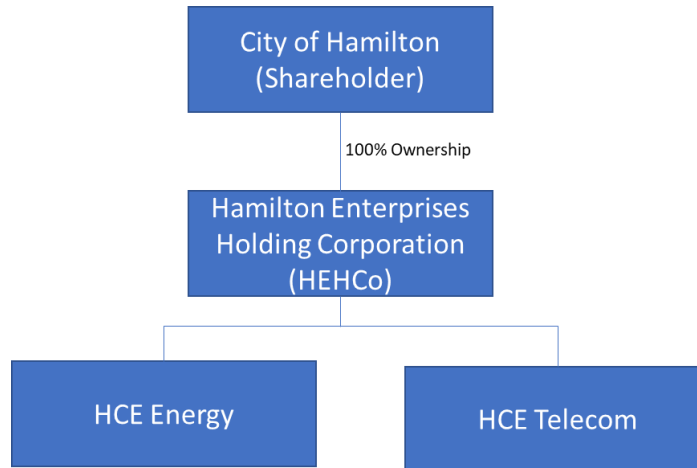


Figure 2. Corporate Structure

Hamilton Community Enterprises (HCE) is the commercial operating brand of Hamilton Enterprise Holding Corporation (HEHCo) and provides facilities-based (capital assets) utility solutions across both the non-regulated Energy (District Energy and Renewable power) and Telecommunication (Internet) sectors. HCE competes in the enterprise market as a for-profit entity, with the cash generated through its operating activity re-invested into the organization to fund growth, operating activities, and capital maintenance programs.

Working alongside Municipalities, Education, Health Care, Essential Services, Utilities and Private sectors, HCE continues to deepen its understanding of the needs of our customers and how they work with and for their communities. We create smart solutions for smart cities by integrating our energy and data expertise.

HCE is well aligned with the strategic priorities of the City of Hamilton and is focused on creating Shareholder Value through the lens of generating Economic, Social and Environmental returns.

HCE's vision, mission and corporate strategic objectives were developed with substantial consideration towards the strategic priorities of the City of Hamilton. HCE's vision is to connect and power our communities with innovative solutions creating a smart, sustainable future, with the mission to be a visionary leader, redefining how energy and data technologies are delivered through value-creating integrated utility solutions.

Climate Change and digital transformation drive unprecedented challenges and create new opportunities at a pace never experienced before. Given its Municipal ownership and innovative mix of technologies, HCE is uniquely positioned to deliver solutions that matter most to the betterment of our businesses and communities. HCE's formula of success is to innovate locally, solving problems and creating value within our community, then operationalize and commercialize these innovations to generate revenue across a larger market and geographical area.

Appendix

HCE Telecom and HCE Energy Overviews



HCE Telecom Overview

HCE Telecom was incorporated in 2015 after a successful proof-of-concept pilot program initiated by the City of Hamilton's IT division and fulfilled by HEHCo. Subsequently, a business plan was developed to create a regional, fibre optic Internet Service Provider (ISP) with the City of Hamilton's corporate Wide Area Network as its anchor client.

During this time, HCE Telecom executed Municipal Access Agreements within Hamilton and neighbouring municipalities and began deploying fibre optics in Hamilton and Halton regions. With over 100km of fibre optic assets installed and strategic data centres across the GTHA, HCE Telecom has continued growing, servicing Government, Education, Health Care and Essential Services (MUSH) and Enterprise businesses providing Internet, Data, Voice and Cloud services.

Since its incorporation, HCE Telecom has rapidly grown to provide services to over 220 clients at over 2000 unique locations. It is a trusted provider to the area's most significant and demanding Internet, Data and Voice users. HCE provides a modern and desirable portfolio of services with many notable and referenceable accounts.

Looking beyond only economic returns, HCE Telecom applies its expertise towards providing a social benefit to the community as well, to maximize access to the Internet and make digital services more accessible to Hamiltonians.

Listening closely to the vision expressed by the City's leadership, including the Chief Digital Officer, Community Housing Hamilton, Hamilton Public Library, and Public Health, HCE seeks to deliver on the goal of doing good in our community. Some examples include the growing delivery of outdoor Wi-Fi in public spaces that connects over 5000 people to City of Hamilton-supplied Internet. In addition, HCE telecom has provided mission-critical voice services that have delivered over 880,000 calls to Hamilton's COVID-19 hotline to support the community pandemic response and have also enabled high-quality and cost-effective Internet to over 1000 units within Hamilton public housing without hidden fees or restrictive terms.

HCE Energy Overview

HCE Energy was founded in 2002, following the de-regulation occurring in the Ontario Electricity Sector, enabling Municipalities to incorporate for-profit subsidiary corporations to compete in the non-regulated energy sector. Several government programs at the time funded natural gas co-generation projects to reduce Ontario's carbon emissions away from coal power generation. Through Hamilton Hydro and with support from the City of Hamilton, it gave rise to the District Energy System at 79 Bay St, commonly called the Downtown District Energy System (DES). The system was built to provide heat (thermal energy) to 11 properties, totalling approximately 2.5 million square feet within Hamilton's downtown core while generating 3.5MW of electricity. A 25-year property lease was signed with the Hamilton Wentworth District School Board at the Sir John A McDonald High School that expires in 2028 and coincides with the expiry of the thermal Energy Services Agreement (ESA) with the City of Hamilton in 2028.



The DES supplies 15.5MW of thermal energy with 8.5MW tied to an Energy Services Agreement (ESA) with the City of Hamilton (integrated closely with the Central Utilities Plant), 3MW to Victoria Park Community Homes and 4MW divided amongst Templar Flats, Alectra, and the Police ISF building. In 2019, the co-generation component of the DES was changed to a peak-shaving model and away from its original 16hr x 5d mode of operations providing energy savings and reduced carbon emissions to the City. Through this electrical peak saving, HCE saves the City of Hamilton between \$500k to \$1M annually from its utility bill by reducing the City's peak electricity demand associated with the Class A electrical meter within the Central Utilities Plant (CUP). This meter is the primary electrical feed for City Hall, Convention Center, Hamilton Place, Ellen Fairclough Building, Central Library, Market and Parking Garage.

HCE owns and operates the Central Utilities Plant beneath the Hamilton Art Gallery; beyond electrical distribution, it is the primary cooling source for several City of Hamilton and downtown commercial properties. In addition to cooling the buildings listed above, it also provides cooling to First Ontario Centre. The CUP is a candidate location to relocate the downtown DES upon its lease expiry at Sir John A. It presents an opportunity to harvest the waste heat from its centralized cooling process as a low-carbon heating resource to reduce greenhouse gas emissions to City buildings.

In 2010, HCE expanded to the McMaster Innovation Park by developing, owning, and operating a low-carbon heating and cooling solution based on Geo-Exchange and advanced energy harvesting and control technologies. In 2015, HCE Energy began to green its electricity portfolio by building Solar Photo Voltaic (PV) assets. HCE Energy owns and operates more than 3.7 MW of renewable solar electricity generation. Additionally, HCE was awarded a Combined Heat & Power Standard Offer Program contract from the IESO. In 2018, a 2.0MW co-generation system was installed at the Portlands West Energy Center at the Hamilton Port Authority's Pier 10 location, which provides electricity to the grid providing reliability and security of energy supply; the system also supplies process steam and hot water to industrial customers including Collective Arts and Sucro Can.

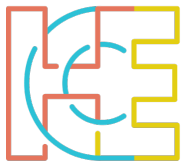
HCE is supportive and engaged in the implementation of Hamilton's Community Energy and Emissions Plan. Among our contributions is a call for building developers and owners to conserve energy and adopt low-carbon and high-efficiency heating and cooling solutions. Additionally, HCE is committed to helping communities recover and reuse valuable thermal energy. Currently, upwards of 60% of the energy used in factories, cooling towers, data centres, sports arenas, water treatment facilities, power plants and other sources is routinely expelled into our atmosphere and waterways. This needs to be addressed as part of the global pursuit of net zero.

Looking towards the future, HCE believes energy harvesting is a proven strategy to conserve energy, lower operating costs, and reduce GHG emissions. In addition, it presents a strategic economic and environmental opportunity for Hamilton, given its Industrial Bayfront Corridor. It is also an effective way to stimulate job training, construction, and employment in the circular economy. That's why HCE is leading the way with our Energy Harvesting Project and related initiatives, and in March 2023, HCE launched a year-long study that will dive into the technical and commercial viability of harvesting residual thermal energy from Hamilton's Industrial Bayfront as a source of heating for all types of buildings, new and old.



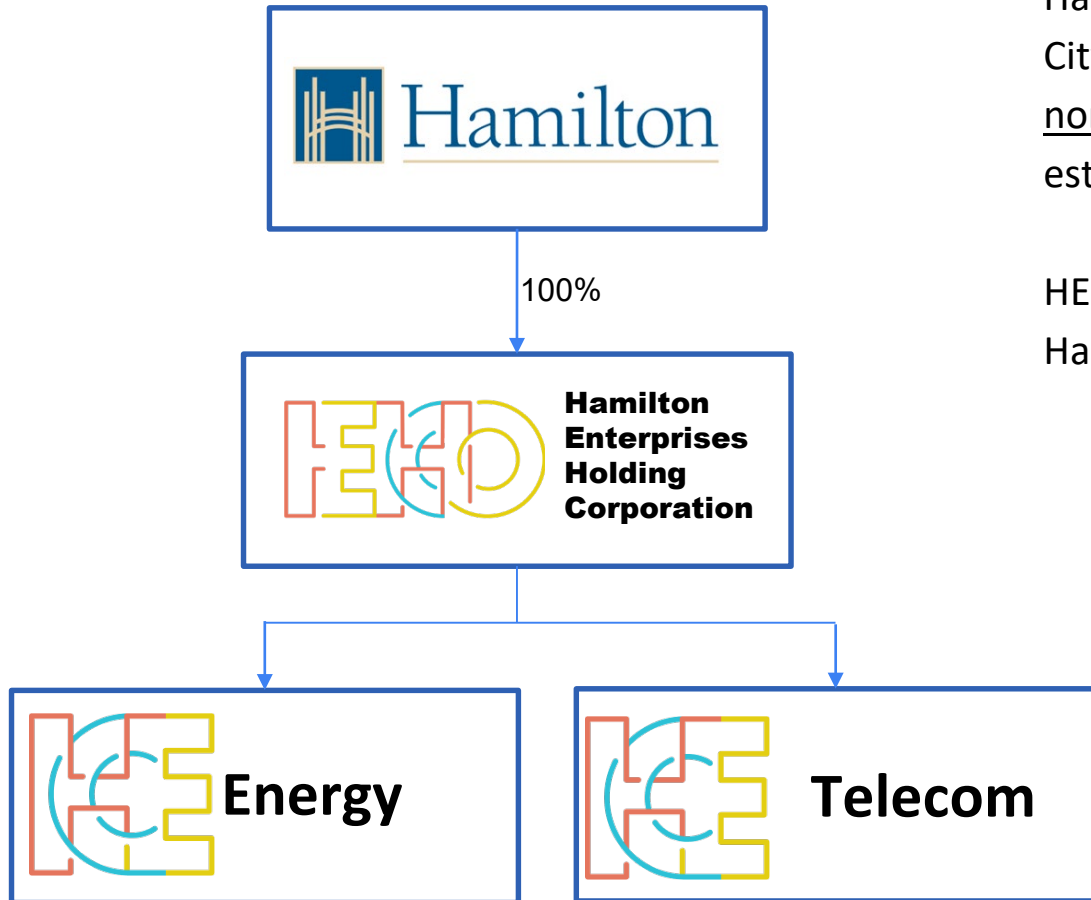
Hamilton Enterprises Holding Corporation

AGM – June 8th, 2023



Introduction

Corporate Structure - HEHCo



Hamilton Enterprises Holding Corporation (**HEHCo.**) is 100% owned by the City of Hamilton and contains two subsidiary businesses that operate in the non-regulated **Energy** and **Telecommunication** sectors. HEHCo was established in 2017 after the merger of Horizon Utilities to form Alectra.

HEHCo’s subsidiary businesses operate under the commercial brand of Hamilton Community Enterprises (HCE).

Subsidiary Businesses



Hamilton Community Enterprises - Energy



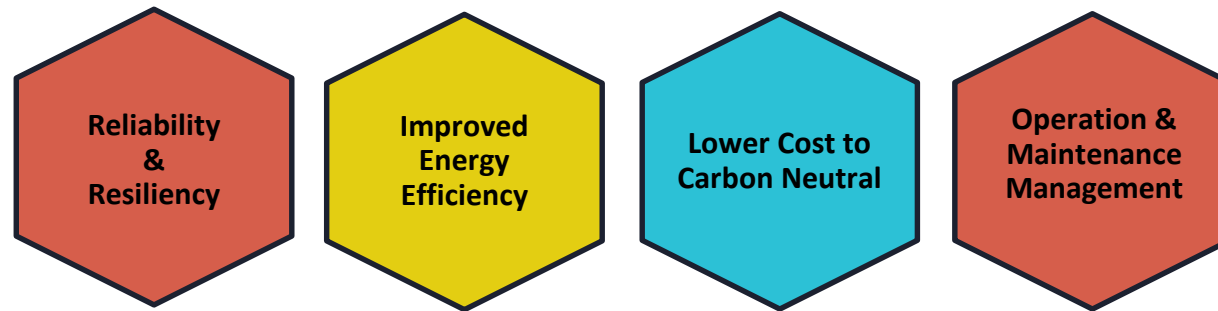
Hamilton Community Enterprises - Telecom



A wholly-owned subsidiary founded in 2002, HCE Energy provides environmentally sustainable and competitive District and Renewable Energy solutions to the City of Hamilton and private institutions.

- Over 3.0M ft² of residential and commercial property serviced
- Over 10MW of power generation under contract
- HCE solutions are 100% energy networks and/or renewable energy based

Value Proposition



District Energy

Solar PV

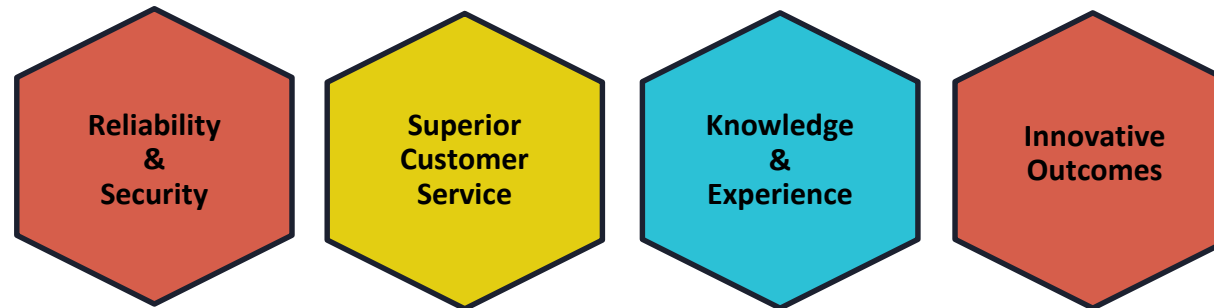
Combined Heat &
Power Systems

Geo-Thermal

Operations & Maintenance
Services

Founded in 2015, HCE Telecom provides mission-critical Internet and communication technology solutions to Municipalities, Health Care, Education, Utilities, Essential Services and Enterprise businesses across the Greater Toronto Hamilton Region with national reach. HCE solutions are designed to make communities resilient, productive and safe.

Value Proposition



Internet

Voice

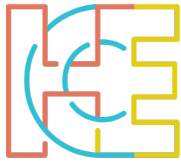
Wi-Fi

Private Networks

Data Centre

Cloud

Design & Build



A few of our Customers

BDO | **alectra** | **Hamilton Health Sciences** | **HAMILTON POLICE** | **Halton REGION** | **HOPA PORTS** | **HAMILTON OSHAWA PORT AUTHORITY**

AGH | **Hamilton-Wentworth Catholic District School Board** | **HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD** | **McMaster University** | **The Weather Network** | **ieso** | **Independent Electricity System Operator**

VICTORIA PARK COMMUNITY HOMES | **orange** | **WALTON REGIONAL POLICE** | **Hamilton** | **CHCH** | **COLLECTIVE ARTS ART • BREWING** | **HAMILTON FARMERS' MARKET**

Core Urban Inc. Develop Different | **Hamilton Conservation Authority** | **McMASTER INNOVATION PARK** | **ORION** | **Lakeridge Health** | **Sucro Can** | **Hamilton Public Library**

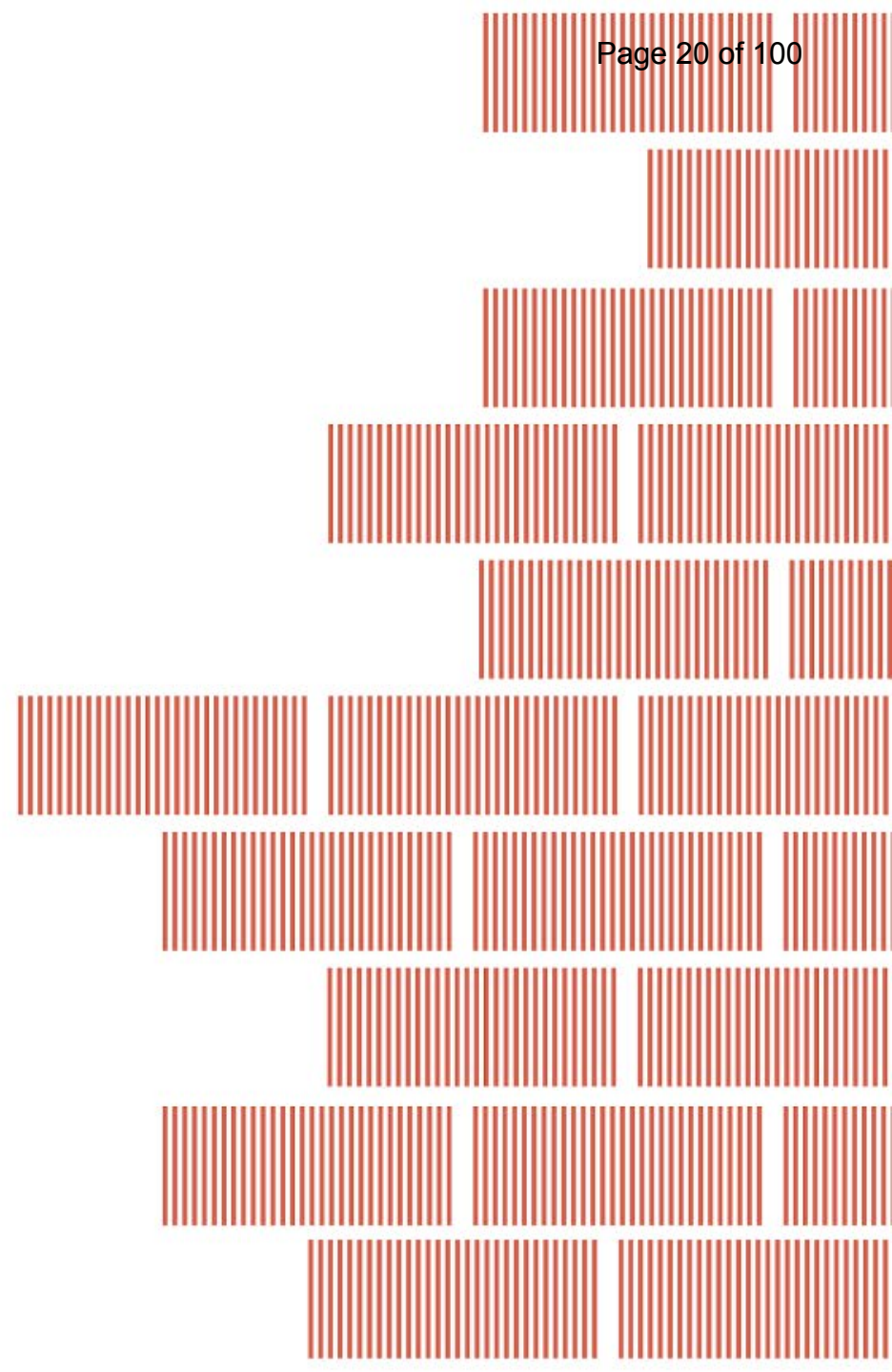


Vision:

To connect and power our communities with innovative solutions creating a smart, sustainable future.

Mission:

To be a visionary leader, redefining how energy and data technology are delivered, through value-creating critical infrastructure solutions.

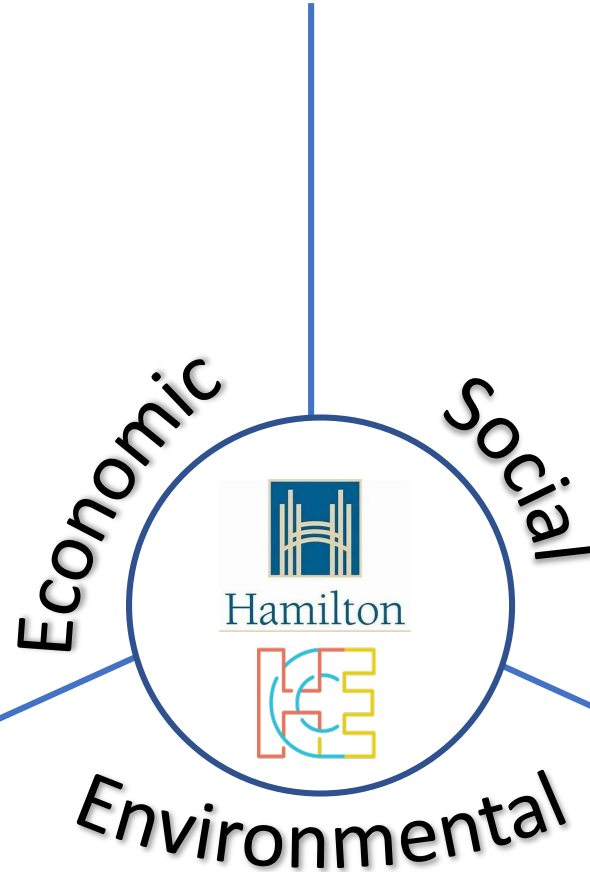




How HCE Generates Shareholder Value

HCE is Committed to Policies and Practices that Recognize our Responsibility to the Economic, Social and Environmental Well-Being of the Citizens and Businesses of Hamilton

- Generate non-levy-based returns across the private and public sectors within Hamilton
- Provide high-quality, responsive and cost-effective services to the City
- Deploy capital assets that make Hamilton more resilient, secure and green



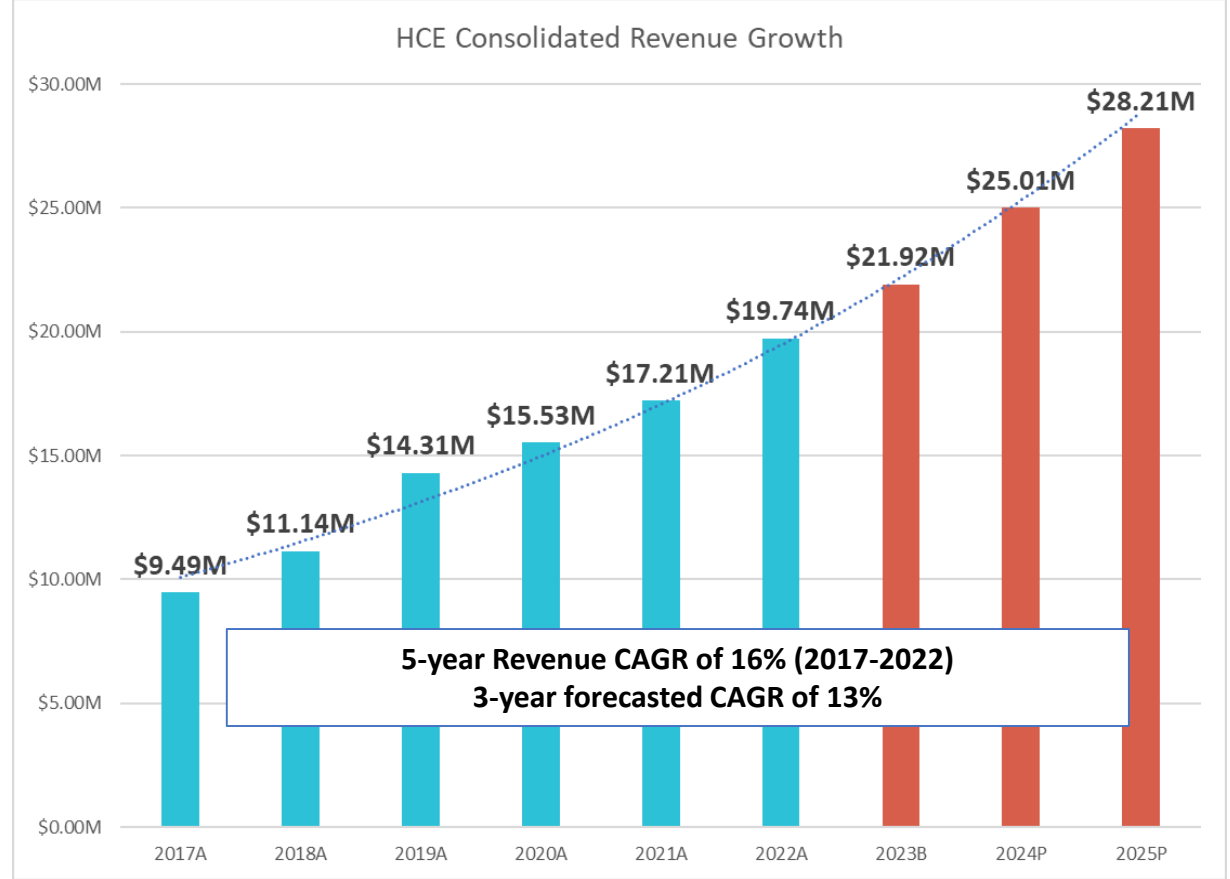
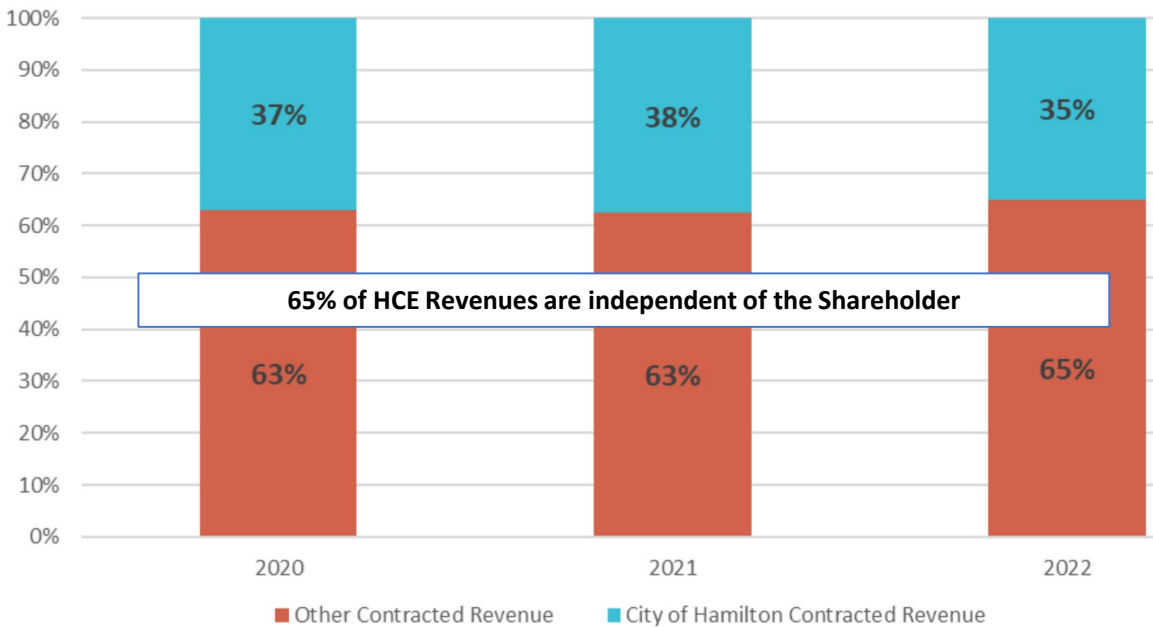
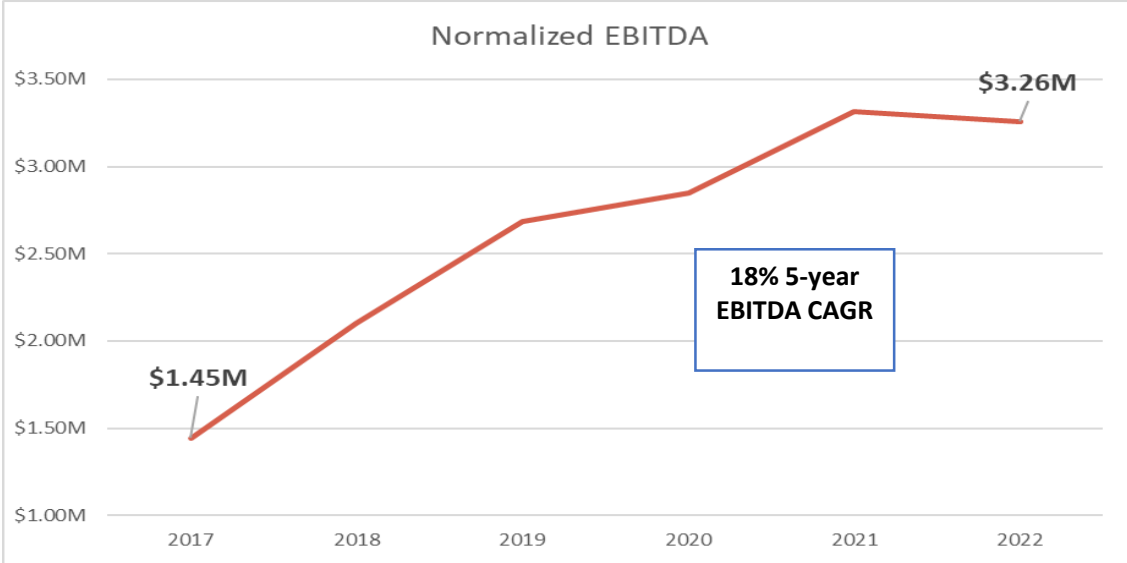
- HCE uses its technology and expertise to solve local challenges where people matter more than profit
- Identifies and removes barriers to make services more accessible
- Promotes local education, skills development and opportunities that foster productive and sustainable communities

- Reduce Hamilton's GHG footprint through low-carbon energy solutions
- Enable Hamilton's transition to a Net Zero Community



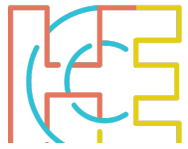
How HCE Generates Shareholder Value

Financial Performance



Through proceeds from its operations, HEHCo has re-invested \$7M into the Hamilton economy, supporting green energy and Internet initiatives over the last 5 years

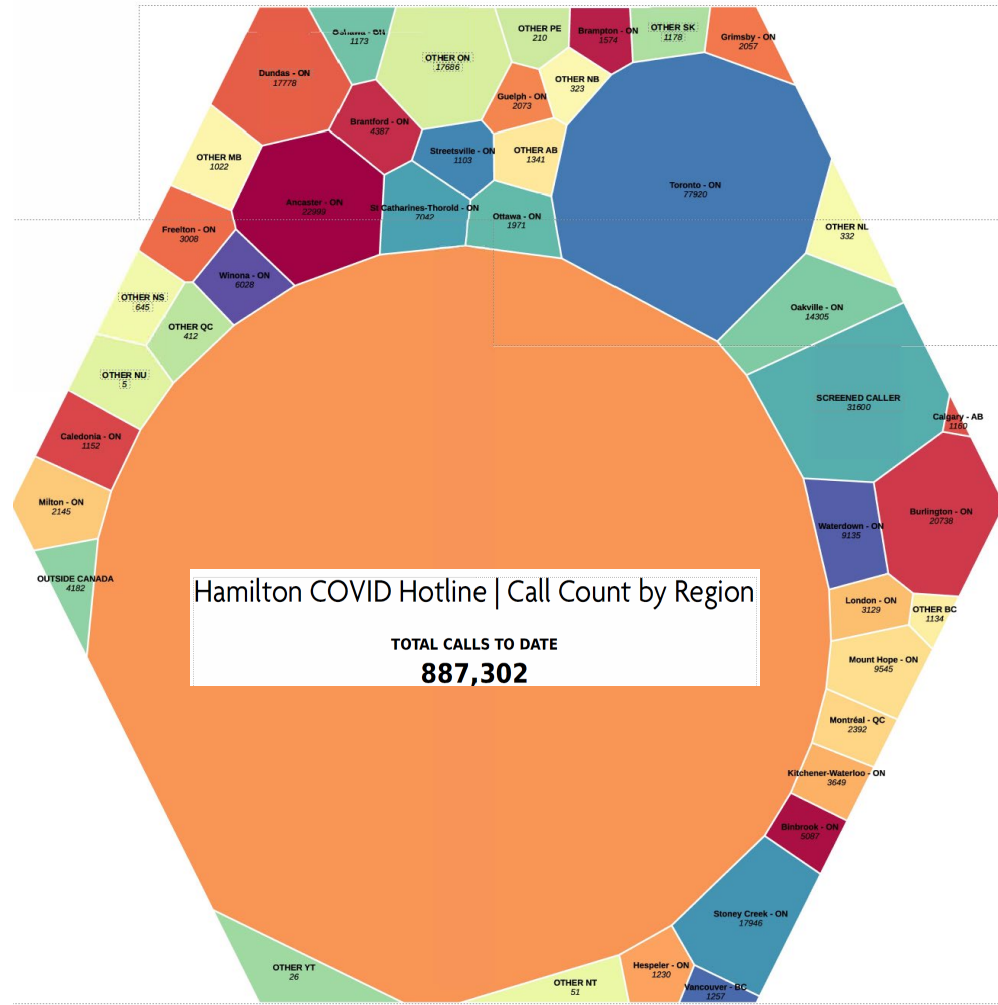




How HCE Generates Shareholder Value

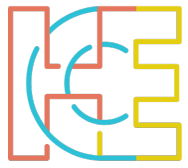
HCE is making the Internet more accessible and maximizing access to Municipal services

- HCE is providing outdoor public Wi-Fi access to 9 locations providing over 5700 connections a month and growing, with the potential to expand to 339 locations across the community
- Working with Community Housing Hamilton. HCE provides cost-effective and high-quality Internet access to over 1,000 units and growing with no hidden terms or fees
- HCE has connected over 887,000 phone calls to the City's COVID hotline



Hamilton: 585,172 Calls	Ancaster: 22,999 Calls	Dundas: 17,778 Calls
Toronto: 77,920 Calls	Burlington: 20,738 Calls	Other ON: 17,686 Calls
Screened: 31,600 Calls	Stoney Creek: 17,946 Calls	Oakville: 14,305 Calls



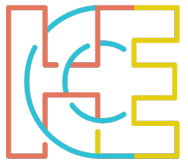


How HCE Generates Shareholder Value

HCE is Decarbonizing Building Heating in Hamilton, the 2nd largest emitter of GHG's in our Community

- HCE is leading a study for harnessing industrial residual heat from the Industrial Bayfront. It directly supports multiple priorities being advanced by the City of Hamilton in areas including economic development, social services, public health, and climate change.
- HCE is a founding partner in Hamilton's Decarbonization Hub and contributor to the Hamilton Community Energy and Emissions Plan
- HCE has reduced its annual carbon intensity from generating electricity by 33% over the last 5 years
- With participation by the City of Hamilton, HCE estimates it can eliminate 2000 tons of CO2 annually, a 20% reduction in carbon emissions on the Downtown District Energy System, through piloting smart building technology across the City of Hamilton facilities connected to the DES with the potential to expand further.

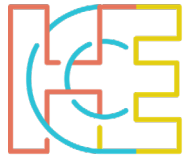




Alignment to the City of Hamilton's Strategic Plan

How HCE aligns

- Hamilton has an open, transparent, and accessible approach to City government that engages with and empowers all citizens to be involved in their community with a focus on **Digital Service and Smart City Transformation**.
- Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life with **universal access to services** and supports needed to be healthy and active with a focus on **healthy communities** and lifestyles.
- Hamilton is **environmentally sustainable**, with a healthy balance of natural and urban spaces **focused on climate change, and energy sources that are sustainable, efficient, and renewable**.
- Hamilton is supported by **state-of-the-art infrastructure**, transportation, buildings and public spaces that create a dynamic city with a **focus on roads management, water – potable / waste / storm, buildings and city facilities and affordable housing**.



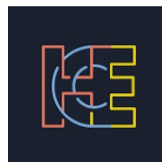
2022 Notable Highlights

COVID Update

- While the impact of COVID caused timing delays in contracting and delivering new revenue, the organization was able to sustain growth in 2022

Business Highlights

- Constructed fibre optics supporting Internet delivery to over 1000 units across 5 Community Housing Hamilton properties, with opportunities to do more!
- Expanded the City of Hamilton's municipal Wi-Fi from within City facilities to Outdoor spaces, now covering 7 parks, City Hall and Frank A Cook transit terminal.
- HCE raised \$500k in funding to initiate Hamilton's Energy Harvesting Feasibility Study
- Won national contract to deliver Internet and data solution to BDO Canada.
- Supported field trials of Public Safety (PSBN) wireless in Hamilton at locations such as Tim Hortons Field.





Notable Highlights

Launch of Hamilton's Energy Harvesting Feasibility Study

- HCE has launched a year-long study that will dive into the technical feasibility and commercial viability of harvesting residual thermal energy from Hamilton's Industrial Bayfront as a source to heat all types of buildings, new and old
- The Study is funded by a public-private sector group that includes ArcelorMittal Dofasco, Enbridge Gas, Federation of Canadian Municipalities, Hamilton Community Enterprises, Hamilton-Oshawa Port Authority, Slate Asset Management, and The Atmospheric Fund.

The potential to provide carbon-free heating to over 80,000 homes



STUDY CONTRIBUTORS

STUDY LEAD



MAJOR FUNDERS



PARTNERS

OUTREACH AND ENGAGEMENT



INDUSTRY



SUPPORTERS





Summary

Continued Engagement

HCE believes climate change and digital transformation will drive unprecedented change and create new opportunities for community-centric solutions.

HCE looking ahead:

- HCE is growing to become Hamilton's leader in delivering low-carbon high-efficiency heating and cooling solutions to mixed-use residential and industrial developments. Over the next 10yrs, HCE estimates it can eliminate 26,000tons of CO2 emissions annually, equivalent to removing 117,000 cars from our roads through low-carbon high-efficiency heating and cooling solutions
- Reduce the GHG footprint of Hamilton's Downtown District Energy System and reduce GHG emissions of City of Hamilton-operated buildings
- Continue to expand in the MUSH and Enterprise sectors while broadening the reach of community Internet access in public spaces and social housing
- Pursue opportunities to digitize legacy applications, such as water billing



- Approval of the 2022 Audited Financial Statements
- Appointment & Remuneration of the Auditor for 2023
- Appointment of Directors of Hamilton Enterprises Holding Corporation

HAMILTON ENTERPRISES HOLDING CORPORATION
(the "Corporation")

RESOLUTIONS OF THE SHAREHOLDER

WHEREAS the City of Hamilton is the sole shareholder of the Corporation (the "Sole Shareholder");

NOW THEREFORE the Council of the City of Hamilton, acting in its capacity as representative of the Sole Shareholder, **RESOLVES AS FOLLOWS:**

1. AUDITED CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED DECEMBER 31, 2022

BE IT RESOLVED that the Audited Consolidated Financial Statements of the Corporation for the year ended December 31, 2022 (attached hereto as Appendix "A"), as approved by the Board of Directors of the Corporation, be received and approved by the Shareholder.

2. APPOINTMENT AND REMUNERATION OF AUDITOR

BE IT RESOLVED that the present auditor of the Corporation, KPMG LLP, be appointed as the auditor of the Corporation for the 2023 fiscal year of the Corporation at a remuneration to be fixed by the Directors of the Corporation, the Directors of the Corporation being hereby authorized to fix such remuneration.

3. DIRECTORS OF THE CORPORATION

WHEREAS it has heretofore been resolved that the Corporation shall have seven (7) Directors;

AND WHEREAS the Shareholder Direction and Unanimous Shareholder Declaration from the Sole Shareholder to the Corporation (the "USD") states in Section 4.04(i) that the Mayor of the City of Hamilton (the "Mayor") shall serve as a Director of the Corporation unless the Mayor is also a Director of Alectra Inc., in which case the Council of the City of Hamilton ("Council") shall select a member of Council to serve instead of the Mayor (the "Mayor's Surrogate");

AND WHEREAS the Mayor is a Director of Alectra Inc. and it is therefore desirable to elect a member of Council to serve as the Mayor's Surrogate;

AND WHEREAS Tammy Hwang was selected by Council to serve as the Mayor's Surrogate;

AND WHEREAS the term of Christa Wessel as a Private Director of the Corporation will expire on June 30, 2023;

AND WHEREAS it is desirable to elect Anna Ventresca as a Private Director of the Corporation for a one (1) year term commencing on July 1, 2023 and expiring on June 30, 2024 and the Nominating Committee of the Corporation has prepared a written recommendation in support of such action, attached hereto as Appendix "B" ("Recommendation A");

AND WHEREAS the respective terms of Tony Thoma and Elizabeth DiDonato as Private Directors of the Corporation will expire on June 30, 2023 and it is desirable for both parties to continue as Private Directors of the Corporation for additional three (3) year terms expiring on June 30, 2026 and the Nominating Committee of the Corporation has prepared a written recommendation in support of such action, attached hereto as Appendix “C” (“Recommendation B”);

BE IT RESOLVED:

- (i) that Tammy Hwang, being a resident Canadian and having consented to act as the Mayor’s Surrogate on the Board of Directors of the Corporation, is elected as a Director of the Corporation to serve as the Mayor’s Surrogate;
- (ii) that Recommendations A and B be and the same are hereby received by the Sole Shareholder;
- (iii) that the recommendation in Recommendation A is hereby approved and Anna Ventresca, being a resident Canadian and having consented to act as a Private Director of the Corporation, is elected as a Private Director of the Corporation to hold office for a one (1) year term commencing on July 1, 2023 and expiring on June 30, 2024 and thereafter until their successor is duly elected or appointed;
- (iv) that that the recommendations in Recommendation B are hereby approved and each of Tony Thoma and Elizabeth DiDonato, each being a resident Canadian and each having previously consented to act as a Private Director of the Corporation, is elected as a Private Director of the Corporation to hold office for an additional three (3) year term commencing on July 1, 2023, and expiring on June 30, 2026 and continuing thereafter until their successors are duly elected or appointed; and
- (v) that the Sole Shareholder approves the preparation of all necessary documents and/or agreements to give effect to the foregoing and the Corporation’s President (or designate) is hereby authorized and directed to execute, on behalf of the Corporation, all such necessary documents and/or agreements or to take any action deemed necessary in respect of any of the foregoing.

4. ADDITION OF CLARIFYING LANGUAGE TO USD

WHEREAS it is desirable for the Sole Shareholder to add certain clarifying language to the USD in relation to the re-appointment of incumbent Private Directors to the Board of Directors of the Corporation.

BE IT RESOLVED:

- (i) that the following language is hereby added by the Sole Shareholder to the USD as a new paragraph to Section 4.09(iii):

“For greater certainty and notwithstanding anything to the contrary herein, on or about the conclusion of a Private Director’s term the Nominating Committee of the Corporation may recommend to the Shareholder the re-appointment of an incumbent Private Director and the Shareholder may

choose to re-appoint such Private Director for another term of up to three years.”

- (ii) that the Mayor and City Clerk are hereby authorized and directed to sign and/or dispatch and deliver all other agreements, documents, notices, articles and/or certificates to be signed and/or dispatched or delivered under or in connection with the USD or to take any action deemed necessary in respect of any of the foregoing.

THE FOREGOING RESOLUTIONS are hereby consented to by the Sole Shareholder, pursuant to the provisions of the *Business Corporation Act* (Ontario).

DATED the 8^h day of June 2023.

CITY OF HAMILTON

By: _____
A. Horwath
Mayor

By: _____
A. Holland
City Clerk

Hamilton Enterprises Holding Corporation

**Hamilton Enterprises Holding Corporation
Independent Auditor's Report to the Shareholder
and Consolidated Financial Statements
Year Ended December 31, 2022**

Hamilton Enterprises Holding Corporation**Table of Contents****Independent Auditor's Report****Consolidated Financial statements**

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KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton ON L8P 4W7
Canada
Tel 905-523-8200
Fax 905-523-2222

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Hamilton Enterprises Holding Corporation

Opinion

We have audited the consolidated financial statements of Hamilton Enterprises Holding Corporation (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of loss and comprehensive loss for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly wavy line that serves as a flourish or underline.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

March 24, 2023

Hamilton Enterprises Holding Corporation

Consolidated Statement of Financial Position

As at December 31, 2022, with comparative information for 2021
(stated in thousands of Canadian dollars)

	2022	2021
Assets		
Current assets		
Cash and cash equivalents <i>[note 4]</i>	\$ 2,701	\$ 2,404
Restricted cash <i>[note 5]</i>	172	–
Accounts receivable	4,073	2,511
Accounts receivable from related parties under common control <i>[note 17]</i>	2,683	2,655
Other current assets	615	699
Derivative assets <i>[note 7]</i>	288	–
	10,532	8,269
Non-current assets		
Property, plant and equipment <i>[note 8]</i>	44,583	47,381
Intangible assets <i>[note 9]</i>	937	1,062
Right-of-use assets <i>[note 10]</i>	3,275	3,526
Goodwill	571	571
Deferred payments in lieu of income taxes <i>[note 11]</i>	5,999	5,243
	55,365	57,783
Total assets	\$ 65,897	\$ 66,052

Hamilton Enterprises Holding Corporation

Consolidated Statement of Financial Position


As at December 31, 2022, with comparative information for 2021
(stated in thousands of Canadian dollars)

	2022	2021
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,462	\$ 1,945
Derivative liability [note 7]	–	149
Income taxes payable	–	54
Asset retirement obligation	44	44
Amounts owing to related parties under common control [note 17]	15,666	15,663
Current portion of lease liabilities [note 10]	210	200
Current portion of long-term borrowings [note 7]	714	681
Current portion of amounts owing to Parent [note 6]	324	324
Deferred revenue	244	175
	20,664	19,235
Non-current liabilities		
Long-term borrowings [note 7]	12,563	13,233
Lease liabilities [note 10]	3,369	3,565
Amounts owing to Parent [note 6]	5,184	5,508
Employee future benefits [note 12]	216	286
Deferred payment in lieu of income taxes [note 11]	6,989	6,053
	28,321	28,645
Total liabilities	48,985	47,880
Shareholder's equity		
Share capital [note 14]	37,986	37,986
Non-controlling interest	–	59
Accumulated other comprehensive income	(30)	(115)
Retained deficit	(21,044)	(19,758)
Total shareholder's equity	16,912	18,172
Contingencies [note 19]		
Total liabilities and shareholder's equity	\$ 65,897	\$ 66,052

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:

Director


Jeffrey Cowan
President & CEO

Director


Laurie Tugman - Chairman of the Board

Hamilton Enterprises Holding Corporation

Consolidated Statement of Loss and Comprehensive Loss

Year ended December 31, 2022, with comparative information for 2021
(stated in thousands of Canadian dollars)

	2022	2021
Revenue:		
Solar generation	\$ 1,421	\$ 1,407
Electricity, heating and cooling service charges	11,242	7,199
Telecommunication	6,971	8,221
Other income	109	1,306
Total revenue	19,743	18,133
Expenses:		
Cost of sales	11,476	9,057
Operating expenses	5,007	6,809
Depreciation and amortization <i>[note 8, 9, 10]</i>	3,899	4,411
	20,382	20,277
Loss from operating activities	(639)	(2,144)
Finance income <i>[note 15]</i>	73	24
Finance charges <i>[note 15]</i>	(667)	(917)
Loss before payment in lieu of income tax recovery	(1,233)	(3,037)
Payments in lieu of income tax expense (recovery) <i>[note 11]</i>	112	(248)
Loss for the year	(1,345)	(2,789)
Net loss attributable to:		
Shareholder of the Corporation	(1,337)	(2,770)
Non-controlling interest of a subsidiary	(8)	(19)
	(1,345)	(2,789)
Other comprehensive income		
Remeasurement of defined benefit obligation	85	22
	85	22
Total comprehensive loss	\$ (1,260)	\$ (2,767)

The accompanying notes are an integral part of these consolidated financial statements.

Hamilton Enterprises Holding Corporation

Consolidated Statement of Changes in Equity

Year ended December 31, 2022, with comparative information for 2021
(stated in thousands of Canadian dollars)

				Accumulated other Retained comprehensive	Non- Controlling	2022
2022	Share capital	Retained deficit	loss	Interest	Total	
Balance at January 1	\$ 37,986	\$ (19,758)	\$ (115)	\$ 59	\$	18,172
Net loss	–	(1,337)	–	(8)		(1,345)
Other comprehensive income	–	–	85	–		85
Acquisition of interest from non-controlling interest	–	51	–	(51)		–
Balance at December 31	\$ 37,986	\$ (21,044)	\$ (30)	\$ –	\$	16,912

				Accumulated other Retained comprehensive	Non- Controlling	2021
2021	Share capital	Retained deficit	loss	Interest	Total	
Balance at January 1	\$ 37,986	\$ (16,988)	\$ (137)	\$ 78	\$	20,939
Net loss	–	(2,770)	–	(19)		(2,789)
Other comprehensive income	–	–	22	–		22
Balance at December 31	\$ 37,986	\$ (19,758)	\$ (115)	\$ 59	\$	18,172

The accompanying notes are an integral part of these consolidated financial statements.

Hamilton Enterprises Holding Corporation

Consolidated Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021
(stated in thousands of Canadian dollars)

	2022	2021
Net loss	\$ (1,345)	\$ (2,789)
Adjustments for:		
Depreciation and amortization <i>[notes 8, 9, 10]</i>	3,899	4,411
Payments in lieu of income tax recovery <i>[note 11]</i>	112	(248)
Finance income	(73)	(24)
Finance charges	667	917
Finance income received	73	24
Finance charges paid	(1,105)	(1,146)
Disposal of property, plant and equipment <i>[note 8]</i>	308	1,258
Accretion - ARO	-	4
Income taxes paid	(11)	(13)
Change in employee future benefits	15	-
Change in other assets and liabilities <i>[note 16]</i>	132	(23)
Net cash from operating activities	2,672	2,371
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment <i>[note 8]</i>	(1,010)	(1,173)
Acquisition of shares from non-controlling interest	(23)	-
Acquisition of intangible assets <i>[note 9]</i>	(23)	-
Net cash used in investing activities	(1,056)	(1,173)
FINANCING ACTIVITIES		
Repayment of long-term borrowings	(637)	(605)
Repayment of lease liabilities	(186)	(180)
Repayment of amounts owing to Parent	(324)	(324)
Net cash used in financing activities	(1,147)	(1,109)
Increase in cash and cash equivalents	469	89
Cash, cash equivalents and restricted cash, beginning of year	2,404	2,315
Cash, cash equivalents and restricted cash, end of year	\$ 2,873	\$ 2,404

The accompanying notes are an integral part of these consolidated financial statements.

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022
(stated in thousands of Canadian dollars)

1. REPORTING ENTITY

On December 18, 2017, Hamilton Enterprises Holding Corporation (the "Corporation") was incorporated under the Business Corporations Act (Ontario). The Corporation is wholly owned by the City of Hamilton and is located in the City of Hamilton.

The Corporation, through its wholly owned subsidiaries, generates electricity, provides heat, cooling, electrical energy and voice and data solutions through fibre optic technologies to its customers. The Corporation's subsidiaries include:

Hamilton Infrastructure Projects Corporation ("HIPCo") – 100% (2021: 100%)

HCE Energy Inc. ("HCE") – 100% (2021: 100%)

HIPCO-CUP ("CUP") Projects Corporation – 100% (2021: 100%)

HIPCO-FIT5 Projects Corporation – 100% (2021: 100%)

HIPCO-MIP Projects Corporation – 100% (2021: 100%)

Longwood Energy Inc. – 50% (2021: 50%) – Joint Operation

HIPCO-FIT4 ("FIT4") Projects Corporation – 100% (2021: 100%)

2622882 Ontario Inc – 100% (2021: 100%)

HIPCO-Portlands ("Portlands") Projects Corporation – 100% (2021: 100%)

Hamilton Ventures Corporation ("HVCO") – 100% (2021: 100%)

HCE Telecom Inc. ("Telecom") – 100% (2021: 100%)

HCE Energy (2017) Inc. – 100% (2021: 100%)

HCE Energy (2018) Inc. – 100% (2021: 100%)

Hamover Power Limited Partnership ("Hamover LP") – 74.99% (2021: 74.99%)

2219506 Ontario Inc. – 100% (2021: 85%)

Hamover Power General Partnership ("Hamover GP") – 75% (2021: 75%)

HCE Energy 2017 Inc. is a limited partner with 74.99% interest in Hamover LP, with 25% interest held by a third party and 0.01% interest held by Hamover GP. Hamover LP leases solar farm to its 100% owned subsidiary, 2291506 Ontario Inc. 2291506 Ontario Inc. generates solar revenue through approved IESO Feed-in-Tariff ("FIT") contracts. Hamover LP acquired 100% ownership of 2291506 Ontario Inc. during the year by acquiring the 15% non-controlling interest not already owned.

Hamilton Enterprises Holding Corporation**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022
(stated in thousands of Canadian dollars)

1. REPORTING ENTITY (continued)

HVCO, a wholly owned subsidiary of Corporation, has a 75% interest in Hamover GP which is the general partner in Hamover LP. Hamover GP manages the operations of Hamover LP. However, key economic decisions relating to Hamover LP requires approval of shareholders holding 80% voting rights in Hamover GP. Therefore, the Corporation, through its subsidiary, cannot unilaterally take the relevant economic decisions of Hamover LP without consent of the other partner and therefore have Joint Control over Hamover LP with a third party and the joint arrangement is concluded to be a Joint Operation. Therefore, the consolidated financial statements include Corporation's proportionate interest in financial statements of the Joint Operation.

HCE, CUP and Portlands provide various thermal heat, cooling and electricity to certain institutional, industrial and commercial customers through a district heating system.

Telecom provides voice and data solutions for businesses using fibre optic technologies. FIT4 and 2622882 generate solar revenue through approved IESO Feed-in-Tariff ("FIT") contracts.

All other entities operate as a holding company with no direct operating activity.

The address of the Corporation's registered office is 79 Bay Street North, Hamilton, Ontario, Canada.

2. BASIS OF PREPARATION**(a) Statement of compliance**

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on March 23, 2023.

(c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis unless otherwise stated.

(d) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

Hamilton Enterprises Holding Corporation**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022
(stated in thousands of Canadian dollars)

2. BASIS OF PREPARATION (continued)**(e) Use of estimates and judgements**

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates. Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

- (i) Notes 3(d), (e), (m), (g)(ii), 8, 9, 10 – estimation of useful lives of property, plant, and equipment, intangible assets and right-of-use assets and impairment of non-financial assets.
- (ii) Notes 3(h), 12 – Employee future benefits: measurements of the defined benefit obligation and key actuarial assumptions
- (iii) Notes 3(m), 10 – leases – discount rate

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- (i) Notes 3(n), 19 – Contingencies: whether a contingency is a liability
- (ii) Note 3(m) – leases – whether an arrangement contains a lease; lease term; underlying leased asset value

Hamilton Enterprises Holding Corporation**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022
(stated in thousands of Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

(a) Basis of consolidation

These consolidated financial statements include the accounts of the corporations as described in the reporting entity in note 1. Subsidiaries are entities controlled by the Corporation. The financial statements of the subsidiaries are included in these consolidated financial statements from the date on which control commences until the date on which control ceases. All subsidiaries are consolidated at 100%. As described in note 1, the consolidated financial statements also include Corporations proportionate interest in Joint Operations; Hamover LP and Longwood Energy Inc. in which Corporation, through its subsidiaries, holds 75% and 50% interests respectively. Hamover Power LP controls 2291506 Ontario Inc. in which it has an 100% interest (2021: 85%). All inter-company accounts and transactions have been eliminated.

(b) Financial instruments

All financial assets and all financial liabilities with the exception for the derivative liability are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in note 3(g)(i). The derivative liability is classified as a financial liability at fair value through profit or loss. Transaction costs are expensed in the year as incurred.

(c) Revenue recognition*Telecommunication*

Telecommunications revenue is recognized in income over time as the performance obligation is satisfied. Connection charges are recognized as income at a point in time when the network connection is installed at a base location and the performance obligation satisfied.

Solar generation

The performance obligations are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill.

Hamilton Enterprises Holding Corporation**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022
(stated in thousands of Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Revenue recognition (continued)***Heating and cooling*

These charges comprise charges to customers for use of the Corporation's electricity and thermal distribution systems. The performance obligations are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity and thermal services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill.

Other revenue

The performance obligations for the provision of services is recognized over time using an input method based on labour hours and resources consumed to measure the satisfaction of the performance obligation. The value of services transferred to the customer is determined based on the agree-upon price with the customer and represents the amount that the customer has the right to bill for services completed to date.

(d) Property, plant and equipment

Items in property, plant and equipment ("PP&E") are measured at historical cost or deemed cost established on the transition date, less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes contracted services, materials and transportation, direct labour, directly attributable overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs on qualifying assets are capitalized as part of the cost of the asset using the weighted average cost of debt incurred on the Corporation's external borrowings. Qualifying assets are considered to be those that take a substantial period of time to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

Major spare parts and standby equipment are recognized as items of PP&E.

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022
(stated in thousands of Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

The cost of replacing part of an item of PP&E is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of PP&E are recognized in income or loss as incurred.

Depreciation is recognized in income or loss on a straight-line basis over the estimated useful life of each part or component of an item of PP&E. Working-progress ("WIP") assets are not depreciated until the project is complete and the asset is available for use.

The estimated useful lives for the current and comparative years are as follows:

Other PP&E	3 to 10 years
Buildings	25 years
Fibre & Data network	15 to 70 years
Heating and electricity generation equipment	7 to 50 years

Gains and losses on disposal of an item of PP&E are determined by comparing the proceeds from disposal with the carrying amount of PP&E and are recognized in income or loss.

Depreciation methods, useful lives and residual values, if any, are reviewed at each reporting date and adjusted prospectively.

(e) Intangible assets and Goodwill

Intangible assets with a finite life are measured at cost less accumulated amortization. Amortization is recognized in net income on a straight-line basis over the estimated useful life of the intangible asset from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Computer software	3 to 5 years
Licenses	5 years
Customer contracts	3 years
Feed-in Tariff agreements	20 years

Goodwill arising on the acquisition of subsidiaries is subsequently measured at cost less accumulated impairment losses as described in note 3(g)(ii).

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

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(stated in thousands of Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Other assets – materials and supplies**

Materials and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on a weighted average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

(g) Impairment**(i) Financial assets**

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

(ii) Non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than inventory and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Goodwill is tested for impairment annually irrespective of any indicator.

If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in net income.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Hamilton Enterprises Holding Corporation**Notes to the Consolidated Financial Statements**

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)**(h) Employee future benefits****(i) Pension plan**

The Corporation provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System (OMERS). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund.

OMERS is a defined benefit plan. However, as OMERS does not track information for individual employers, sufficient information is not available to enable the Corporation to account for the plan as a defined benefit plan, the plan has been accounted for as a defined contribution plan.

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in income or loss when they are due.

(ii) Other than pension

The Corporation provides its retired employees with post-retirement life insurance. In addition, the Corporation provides post-retirement medical benefits beyond those provided by government sponsored plans for those employees who retire with least 20 years of service and eligible to receive an OMERS pension. These benefits are provided through a group defined benefit plan. The Corporation has reflected the defined benefit costs and related liabilities, as calculated by the actuary, in these consolidated financial statements.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets, are recognized immediately on other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Finance income and finance charges

Finance income is recognized in income or loss as it accrues, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and unrealized gains on derivatives.

Finance charges are calculated using the effective interest rate method with the exception of the derivative liability and are recognized as an expense unless they are capitalized as part of the cost of qualifying assets. Finance charges comprises interest expense on borrowings, finance lease liabilities, accretion of asset retirement obligations and unrealized loss on derivative liabilities.

(j) Payments in lieu of income taxes

The Corporation and some of its subsidiaries are exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA") (collectively the "Tax Acts").

Pursuant to the *Electricity Act, 1998 (Ontario)* ("EA"), and as a consequence of its exemption from income taxes under the Tax Acts, the Corporation and some of its subsidiaries are required to make payments in lieu of corporate income taxes ("PILs") to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the Tax Acts. Some of the Corporation's subsidiaries are not exempt from taxes under the ITA and accordingly calculate and pay income tax in accordance with the Tax Acts to the Canada Revenue Agency.

PILs comprises current and deferred tax for both the taxable and exempt subsidiaries. Payments in lieu of income taxes is recognized in net income except to the extent that it relates to items recognized either in comprehensive income or directly in equity, in which case, it is recognized in comprehensive income or equity.

Current PILs is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022
(stated in thousands of Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Payments in lieu of income taxes (continued)

Deferred PILS comprise the net tax effects of temporary differences between the tax basis of assets and liabilities and their respective carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) Business reorganizations between entities under common control

Business reorganizations between entities under common control are accounted for at book value on a retrospective basis with comparative information restated to present financial information as if the restructuring had occurred prior to the date of restructuring.

(l) Set-off and reporting on a net basis

Assets and liabilities and income and expenses are not offset and reported on a net basis unless required or permitted by IFRS. Offsetting is permitted for financial assets and financial liabilities when, and only when, the Corporation has a legally enforceable right to set-off and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(m) Leases

At inception of a contract, the Corporation assess whether the contract is or contains a lease. A contract is determined to contain a lease if it provides the Corporation with the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts determined to contain a lease are accounted for as leases. For leases and contracts that contain a lease, the Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Hamilton Enterprises Holding Corporation**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022
(stated in thousands of Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Leases (continued)**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at the present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less or for leases of low value assets. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(n) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

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4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of overnight deposits in Canadian chartered banks.

5. RESTRICTED CASH

The restricted cash balance subject to the restrictions may only be used for dealing with specific expenses as per contract with certain vendors (i.e. maintenance purpose) and is unavailable to the Corporation for general use elsewhere in its business. These expenses are expected to be incurred within next 12 months of reporting period.

6. AMOUNTS OWING TO PARENT

Amounts totaling \$5,508 (2021 - \$5,832) owing to the City of Hamilton (the "City") are due December 31, 2039, bearing interest at a fixed interest rate of 4.06% throughout the term of the loan. The loan is payable in annual principal repayments of \$324 plus interest. The amounts owing to the City relate to the Corporation's acquisition of the City of Hamilton's Central Utilities Plant ("CUP").

The borrowings are secured by the assets of the CUP with a net book value of \$8,702 (2021 - \$9,034) with a cross-company guarantee provided by a corporation under common control.

Interest expense for the amounts owing to parent was \$192 (2021 - \$210). Principal payments on the amounts owing to parent are due as follows:

2023	\$	324
2024		324
2025		324
2026		324
2027		324
Thereafter		3,888
	\$	5,508

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022
(stated in thousands of Canadian dollars)

7. LONG-TERM BORROWINGS

	2022	2021
Bank loans	\$ 6,176	\$ 6,458
Term Loan – Tranche A	4,799	5,043
Term Loan – Tranche B	2,302	2,413
	13,277	13,914
Less: current portion	714	681
	\$ 12,563	\$ 13,233

The Corporation holds three bank loans. The first bank loan bears interest at 2.46% per annum and is repayable in monthly instalments of \$35 principal and interest. The principal amount outstanding at December 31, 2022 is \$3,379 (2021 - \$3,554). The loan is due January 12, 2037 and is secured by guarantees of Hamilton Utilities Corporation (related party under common control), Port Dover Farms Inc. and the Corporation's subsidiary 2291506 Ontario Inc. (the "Subsidiary") and a registered security interest in the rooftop solar power generation equipment owned by Hamover Power LP (the "Partnership"). The loan is further secured by an assignment of the assets between the Partnership and its subsidiary and the Feed-in Tariff contracts held by the subsidiary. In January 2016, the Partnership entered into an interest rate swap agreement with a notional value of \$5,760. Under the terms of the agreement, the Partnership has contracted to pay interest at a fixed rate of 2.46% while receiving a variable rate equivalent to the one-month Canadian Dollar Offer Rate. The interest rate swap agreement is recorded at fair value and is in a net favorable position of \$288 (2021 - unfavorable \$149). The unrealized gain of \$438 (2021 - \$233) recognized during the year is included in Finance charges.

The loan is subject to 5-year cash settlement payment due dates throughout the term of the loan, with the next due date being December 2027.

Subsequent to year end, in February 2023, the Company and the lender modified the swap agreement to change the repayment terms from a fixed monthly payment of blended principal and interest to a monthly fixed principal payment (of \$26 per month) with interest paid on the declining principal balance. The effect of the change is to accelerate the repayment of principal. This change also reduced the swap rate to 2.39% from 2.46%. When combined with the stamping fee of 1.77%, the effective interest rate is 4.16% per year. With the change effective February 2023, the annual repayment of interest will be a fixed amount of \$320. Under this agreement, the long-term debt will be secured by guarantee of Hamilton Enterprises Holding Corporation.

The second bank loan was entered in 2020 and bears interest at 5.69% per annum and is repayable in monthly instalments of principal and interest of \$22 and matures August 2029. The principal amount outstanding is \$2,752 (2021 - \$2,859). The loan is secured by the related equipment for which the loan was issued.

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022
(stated in thousands of Canadian dollars)

7. LONG-TERM BORROWINGS (continued)

The third bank loan is comprised of a loan from the federal government through National Bank of Canada under the Canada Emergency Business Account (CEBA) program. The principal amount outstanding is \$45 (2021 - \$45). The loan was received in two tranches of \$40 and \$20 respectively. The loan is non-interest bearing and was forgivable up to \$20 (\$10 from each tranche) if the loan was repaid before the due date of December 31, 2022. If the loan is not repaid at December 31, 2023, the loan will become due and payable on December 31, 2025 and will bear interest at 5% with interest payment frequency determined by the financial institution.

In 2018, the Corporation entered into a lending agreement in two tranches secured by certain district energy assets which are due March and September 16, 2036 respectively. Tranche A was issued in the amount of \$5,853 and bears interest at 5.322% per annum, repayable in blended quarterly principal and interest repayments of \$127. Tranche B was issued in the amount of \$2,733 and bears interest at 5.419% per annum, repayable in blended quarterly principal and interest repayments of \$60.

Repayment of long-term debt for the year ended December 31:

2023	\$	714
2024		704
2025		740
2026		778
2027		819
Thereafter		9,522
	\$	13,277

8. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Heating and Electricity Generation infrastructure	Fibre & Data network	Other PP&E	WIP	2022 Total	2021 Total
<i>Cost or deemed cost</i>							
Balance at							
January 1	\$ 1,704	\$ 52,823	\$ 10,299	\$ 2,612	\$ 168	\$ 67,606	\$ 67,691
Additions	–	174	16	96	724	1,010	1,173
Transfers	–	–	59	–	(59)	–	–
Disposals	–	–	–	–	(308)	(308)	(1,258)
Balance at							
December 31	\$ 1,704	\$ 52,997	\$ 10,374	\$ 2,708	\$ 525	\$ 68,308	\$ 67,606

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022
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8. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings	Heating and Electricity Generation infrastructure	Fibre & Data network	Other PP&E	WIP	2022 Total	2021 Total
<i>Accumulated depreciation</i>							
Balance at January 1	\$ 1,092	\$ 13,243	\$ 4,218	\$ 1,672	\$ –	\$ 20,225	\$ 16,213
Depreciation charge	97	2,736	450	217	–	3,500	4,012
Balance at December 31	\$ 1,189	\$ 15,979	\$ 4,668	\$ 1,889	\$ –	\$ 23,725	\$ 20,225
<i>Carrying amounts</i>							
December 31, 2022							\$ 44,583
December 31, 2021							\$ 47,381

Rooftop solar assets owned by a subsidiary of the Corporation with a net book value of \$3,813 (2021 - \$4,083) are subject to a registered security interest with respect to long term issued to the Corporation (note 7). Assets with a net book value of \$5,408 (2021 - \$6,204) are subject to a security interest for one of the Corporation's subsidiary's long-term debt (note 7). Assets with a net book value of \$8,702 (2021 - \$9,034) are subject to a security interest for one of the Corporation's subsidiary's long-term debt with the Parent (note 6).

During the year, the Corporation assessed the future benefits of costs included in work in progress and recognised a loss on disposal of \$NIL (2021 - \$954) which is included in the Operating expenses on the statement of loss and comprehensive loss.

9. INTANGIBLE ASSETS

	Customer Contracts and Licenses	Computer software	Feed-in Tariff	2022 Total	2021 Total
<i>Cost or deemed cost</i>					
Balance at January 1	\$ 2,240	\$ 642	\$ 638	\$ 3,520	\$ 3,520
Additions	–	–	23	23	–
Balance at December 31	\$ 2,240	\$ 642	\$ 661	\$ 3,543	\$ 3,520

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022
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9. INTANGIBLE ASSETS (continued)

	Customer Contracts and Licenses	Computer software	Feed-in Tariff	2022 Total	2021 Total
<i>Accumulated depreciation</i>					
Balance at January 1	\$ 1,788	\$ 542	\$ 128	\$ 2,458	\$ 2,310
Depreciation charge	75	41	32	148	148
Balance at December 31	\$ 1,863	\$ 583	\$ 160	\$ 2,606	\$ 2,458
<i>Carrying amounts</i>					
December 31, 2022					\$ 937
December 31, 2021					\$ 1,062

10. RIGHT OF USE ASSETS AND FINANCE LEASES

	Land and buildings	Rooftops	Total
Right-of-use assets			
Cost			
Balance at January 1, 2022	\$ 2,335	\$ 1,944	\$ 4,279
Balance at December 31, 2022	\$ 2,335	\$ 1,944	\$ 4,279
Accumulated depreciation			
Balance at January 1, 2022	\$ 425	\$ 328	\$ 753
Additions	141	110	251
Balance at December 31, 2022	\$ 566	\$ 438	\$ 1,004
Carrying amounts			
At December 31, 2022	\$ 1,769	\$ 1,506	\$ 3,275
At December 31, 2021	\$ 1,910	\$ 1,616	\$ 3,526
Finance lease liability			
Balance at January 1, 2022	\$ 2,041	\$ 1,724	\$ 3,765
Interest	105	85	190
Repayments	(212)	(164)	(376)
Balance at December 31, 2022	\$ 1,934	\$ 1,645	\$ 3,579
At December 31, 2021	\$ 2,041	\$ 1,724	\$ 3,765

Total cash outflows with respect to leasing arrangements during the year was \$376 (2021 - \$376) consisting of principal and interest of \$186 and \$190, respectively (2021 - \$180 and \$196).

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022
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10. RIGHT OF USE ASSETS AND FINANCE LEASES (continued)

The Corporation has several lease commitments for which the underlying asset value has been determined by the Corporation to be less than \$5,000 USD. These assets have not been accounted for under IFRS 16 *Leases* due to their low value. As such, the Corporation has expensed \$31 (2021 - \$6) in income statement during the year for these leases.

Certain leases held by the Corporation provide the Corporation with extension options and termination options that may impact the term of the Lease which can impact the finance lease liability recognized in the statement of financial position. The Corporation has determined the lease term for all contracts based on all available information as at the reporting date.

The Corporation has leases for which certain payments made under the leasing arrangement are variable in nature and thus not included in the determination of the right-of-use asset and finance lease liability. These payments include payments for common area maintenance, insurance, and taxes. During the year, the Corporation recognized \$31 (2021 - \$28) as an expense in income statement relating to variable lease payments.

Repayment of finance lease liabilities for the principal portion are as follows:

2023	\$	210
2024		221
2025		232
2026		244
2027		256
Thereafter		2,416
	\$	3,579

11. PAYMENTS IN LIEU OF INCOME TAXES

Current and deferred payments in lieu of income taxes

	2022	2021
Current payments in lieu of income taxes:		
Current year	\$ (43)	\$ 97
Other	-	1
Deferred payments in lieu of income taxes:		
Origination and reversal of temporary differences and other	155	150
	155	(150)
Payments in lieu of income expense (recovery)	\$ 112	\$ (248)

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022
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11. PAYMENTS IN LIEU OF INCOME TAXES (continued)

Reconciliation of effective tax rate

	2022	2021
Loss before taxes	\$ (1,233)	\$ (3,050)
Canada and Ontario statutory Income tax rates	26.5%	26.5%
Expected tax recovery on income at statutory rates	(327)	(808)
Increase (decrease) in income taxes resulting from:		
Non-deductible expenses	2	1
Deferred PILS asset not recognized	397	889
Adjustments to prior provision	45	(144)
Other	(5)	(186)
Income tax expense (recovery)	\$ 112	\$ (248)

Deferred tax balances

Significant components of the Corporation's deferred tax balances are as follows:

	2022	2021
Deferred payments in lieu of income taxes - liabilities:		
Property, plant, and equipment	\$ (6,876)	\$ (6,053)
Other	(113)	-
	(6,989)	(6,053)
Deferred payments in lieu of income taxes – assets:		
Non-capital losses	8,193	7,292
Right-of-use assets	80	63
Property, plant and equipment	302	-
Other	28	40
CMT carry forward	172	228
	8,775	7,623
Unrecognised deferred tax assets:		
Deductible temporary differences	105	693
Tax losses	2,671	1,687
Total unrecognised deferred tax assets	2,776	2,380
Net recognized deferred tax assets	\$ 5,999	\$ 5,243

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

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12. EMPLOYEE FUTURE BENEFITS

The Corporation provides certain health, dental and life insurance benefits on behalf of its retired employees. These benefits are provided through a defined benefit plan. The Corporation has reflected the defined benefit costs and related liabilities, as calculated by the actuary, in these consolidated financial statements. The defined benefit obligation and the expense for the year ended December 31, 2022 was based on the most recent results and assumptions determined by a full actuarial valuation as at December 31, 2020 and extrapolated to December 2022.

Information about the Corporation's unfunded defined benefit plan as a whole and changes in the present value of the defined benefit unfunded obligation and the defined benefit liability are as follows:

	2022	2021
Defined benefit obligation, beginning of year	\$ 286	\$ 286
Current service cost	16	28
Interest cost	9	7
Benefits paid during the year	(10)	(13)
Actuarial loss recognized in other comprehensive income	(85)	(22)
Defined benefit obligation, end of year	\$ 216	\$ 286

The main actuarial assumptions underlying the valuation are as follows:

a) General inflation

The health care cost trend for prescription drugs is estimated to increase from 4.90% in 2022 to 5.10% in 2025, before declining to 4.00% over 20 years. Other medical and dental expenses are assumed to increase at 4.5% per year.

b) Discount rate

The obligation at the period end and the present value of future liabilities were determined using a discount rate of 5.05% (2021 - 2.7%) representing an estimate of the yield on high quality corporate bonds as at the valuation date. A 1% increase or decrease in the discount rate would result in a decrease of \$38 or increase of \$28 to the defined benefit obligation respectively.

c) Salary levels

Future general salary and wage levels were assumed to increase at 3.30% (2021 - 3.30%) per year.

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

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13. PENSION

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined benefit pension plan with equal contributions by the employer and its employees. In 2022, the Corporation made employer contributions of \$383 to OMERS (2021 - \$360) which are recognized in profit or loss during the year.

The Corporation expects to make a contribution of \$383 to OMERS during the next fiscal year.

14. SHARE CAPITAL

	2022	2021
Unlimited number of common shares 38,968 (2021 - 38,968) issued and outstanding)	\$ 37,986	\$ 37,986

Dividends

The holders of the common shares are entitled to receive dividends as declared from time to time.

The Corporation did not declare or pay a dividend in 2022 or 2021.

15. FINANCE INCOME AND CHARGES

	2022	2021
Interest income on bank deposits	\$ 73	\$ 24
Finance income	73	24
Lease liabilities	(190)	(196)
Accretion – ARO	–	(4)
Unrealized gain on derivative liability (note 7)	438	233
Interest expense – Amounts owing to Parent (note 6)	(192)	(210)
Interest expense – long-term borrowings	(723)	(740)
Finance charges	(667)	(917)
Net finance costs recognized in income	\$ (594)	\$ (893)

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

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16. CASH FLOW INFORMATION

Net change in other assets and liabilities:

	2022	2021
Accounts receivable	\$ (1,562)	\$ (232)
Accounts receivable from related parties under common control	(28)	874
Other current assets	84	620
Accounts payable and accrued liabilities	1,517	1
Amounts owing to related parties under common control	52	(1,093)
Deferred revenue	69	(193)
	\$ 132	\$ (23)

17. RELATED PARTY TRANSACTIONS

(a) Parent and ultimate controlling party

The parent company and ultimate controlling party is the City of Hamilton. The City of Hamilton produces financial statements that are available for public use. The Corporation has long-term borrowings outstanding with the City of Hamilton as described in note 6.

(b) Transactions with corporations under common control

Outstanding balances with related parties are as follows:

	2022	2021
Hamilton Utilities Corporation	\$ 2,502	\$ 2,500
Port Dover Farms Inc.	181	155
	2,683	2,655
Bright Ray Solar	(173)	(173)
Other related parties	(28)	-
Hamilton Utilities Corporation	(15,465)	(15,490)
	(15,666)	(15,663)
	\$ (12,983)	\$ (13,008)

Amounts owing to and from corporations under common control are non-interest bearing and have no fixed terms of repayment. The Corporation received management and administrative and billing fees from a corporation under common control in the amount of \$258 (2021 - \$156).

Hamilton Enterprises Holding Corporation

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022
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17. RELATED PARTY TRANSACTIONS (continued)

(c) Key management personnel

The key management personnel of the Corporation has been defined as members of its board of directors and executive management team members. Total key management compensation for the Corporation in 2022 consisted of salaries and other short-term benefits as well as bonuses and amounted to \$1,525 (2021 - \$1,560).

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value disclosure

The carrying values of cash and cash equivalents, accounts receivable, accounts receivable from and amounts owing to related parties under common control, accounts payable and accrued liabilities and deferred revenue approximate fair value because of the short maturity of these instruments.

The fair value of the long-term borrowings is \$15,924.

The fair value of amounts owing to Parent is \$6,223.

Financial risks

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk and liquidity risk as well as related mitigation strategies are discussed below. However, the risks described below are not exhaustive of all the risks nor will the mitigation strategies eliminate the Corporation's exposure to all risks listed.

(i) Credit risk

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The majority of accounts receivable was collected subsequent to year end.

The carrying amount of accounts receivable is reduced through an allowance for expected credit losses and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the allowance for expected credit losses at December 31, 2022 is \$83 (2021 - \$83).

(ii) Market risk

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity, foreign exchange or interest rate risk.

Hamilton Enterprises Holding Corporation**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022
(stated in thousands of Canadian dollars)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**(iii) Liquidity risk**

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure.

The majority of accounts payable, as reported on the balance sheet, are due within 30 days.

(iv) Capital disclosures

The main objectives of the Corporation, when managing capital, are to ensure on-going access to funding to maintain infrastructure to supply services to customers, to prudently manage its capital structure and deliver appropriate financial returns. The Corporation's definition of capital includes share capital and long-term borrowings. As at December 31, 2022, the amount of share capital is \$37,986 (2021 - \$37,986) and long-term borrowings amount to \$13,277 (2021 - \$13,914).

19. CONTINGENCIES

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

20. IMPACT OF COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the Corporation's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy is not known at this time. It is not expected that the impact to the Corporation will be significant in 2023.



May 31, 2023

**Hamilton Enterprises Holding Corporation
Nominating Committee Recommendation Report – 060823**

re: Private Director Nomination to Board of Directors of Hamilton Enterprises Holding Corporation

Background:

The Board of Directors of Hamilton Enterprises Holding Corporation (“HEHCo”) is comprised of six (6) private Directors and the Mayor’s surrogate for a total composition of seven (7) board members. As the term of one Director, Christa Wessel, is expiring in June 2023, the Nominating Committee of HEHCo began a search for her replacement in September 2022, under the Shareholders Direction given to HEHCo by the City of Hamilton (the “City”) pursuant to 4.07 and 4.08 of the Unanimous Shareholders Declaration, dated June 6, 2018. *See attached as Appendix a) Kilbride Partners - HEHCo Board Search Process and as Appendix b) Kilbride Partners - Director Profile.*

After a fulsome recruitment process, the final candidate, Anna Ventresca, was selected by HEHCo for recommendation to its Shareholders. *See attached as Appendix c) Skills Matrix of Ms. Ventresca and Appendix d) CV of Ms. Ventresca.*

Recommendation:

It is recommended by the HEHCo Nominating Committee and the HEHCo Board of Directors that pursuant to section 4.08 of the Unanimous Shareholders Declaration, the City’s approval for the appointment of Ms. Ventresca for a one-year term as a director of HEHCo. *See attached Appendix e) Biography and Profile of Ms. Ventresca.*

Attachments:

Appendix a) Kilbride Partners - HEHCo Board Search Process

Appendix b) Kilbride Partners - Director Profile

Appendix c) Skills Matrix

Appendix d) CV of Ms. Ventresca

Appendix e) Biography and Profile of Ms. Ventresca



Appendix a)

Kilbride Partners - HEHCo Board Search Process



HEHCO Board Search Process

March 2023

Our Search Process

Intentionally, the search process began in September, 2022, well in advance of the opening on the HEHCo Board arising, so that we ensured we had a robust and fulsome list of candidates for consideration.

The process started with a briefing conversation with the Chair of the Human Resource Governance (“HRG”) Committee as well as discussions with the Chairman of the Board of HEHCo. We reviewed a detailed Job Specification for the Director role as well as the existing Board Skills Matrix to gain an understanding of the experience, skills and other qualities sought in an ideal candidate.

Particular emphasis was placed on identifying diversity candidates, with a legal background and practical experience in working with management to improve governance in the organization or, general human resources experience. Preference was given to candidates with a formal Director accreditation and who were well connected in the City of Hamilton. All candidates considered were residents of the City.

Search Strategy

Our search strategy utilized the following methods and approaches :

- **Targeted Sourcing and Networking** - We reached out to our network of contacts who serve on Boards , with particular emphasis on Hamilton based organizations. We specifically targeted both practicing lawyers in Hamilton legal firms as well as Chief Legal Officers.
- **Research** - we completed research with publicly available information (such as LinkedIn) to identify potential candidates who were serving on Boards and who were residents of the City of Hamilton. We also spoke to other Directors outside of the City as sources to potential candidates. We also reached out to all current Directors of HEHCo to determine if they might have candidates for consideration.
- **Our Database** - we searched our database to identify Director candidates from searches we have completed previously across a variety of industries with a focus on Hamilton based candidates.
- **Job Posting** - the Director profile was posted with both the ICD.D and The Directors College so that candidates with those accreditations were made aware of the



opportunity. We also published the opportunity with Women Get on Board to help identify diversity candidates.

- We also connected with **Civic Action Board Shift**, who focus on diversity Director candidates, but they were only working with organizations in the Not For Profit sector at the time and, accordingly, couldn't assist us.

Short Listing of Candidates

As a result of our candidate development efforts , we identified approximately 15 candidates who expressed interest in the opportunity and who broadly met the criteria. Following our interviewing process we reduced this list of candidates for consideration to 8. Background information on those candidates , together with our briefing notes , was shared with the HRG Committee Chair and a “ Short List” of 4 candidates was arrived at.

On December 19, 2022 , all of the Short Listed candidates were interviewed by both the Chairman of the Board and the HRG Committee Chair (with the exception of one candidate who the HRG Committee Chair had previously served on a Board with , so she recused herself from the interview). Background information , including the self assessment Board Skills Matrix information was shared on each candidate in advance of the interviews.

Following these interviews, the list was further narrowed to 2 finalist candidates who were then provided, under an NDA, with background information on both the organizational strategy and financial results. On January 25, 2023 they both then met with the Chairman of the Board, the HRG Committee Chair, Greg McCamus, Chair, Audit and Risk Management Committee and Tony Thoma, HRG Committee member. Once again, the HRG Committee Chair recused herself from one of the candidate interviews.

Background information supporting the finalist candidates was shared with the Directors who were interviewing. A final determination of the preferred candidate, Anna Ventresca, was then reached unanimously by those who had conducted the interviews .

Once this decision was reached , we completed reference checking as well as criminal record and credit checks (all satisfactory) on the preferred candidate . As in previous Director searches for HEHCo, we also completed a psychometric assessment (the “ SuccessFinder” assessment) of the candidate and both the Chairman of the Board and the HRG Committee Chair were debriefed on the results. This assessment allows you to “benchmark “ a candidate against “ best in class” Directors and provides guidance to the Board in terms of successfully onboarding the candidate to the Board.



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As well, the preferred candidate met with Jeff Cowan , the CEO of HEHCo, in early February.

Finalist Candidate

Once all of these background checks were completed successfully, the preferred candidate , Anna Ventresca, was advised of her approval by the Search Committee and was made aware that a final formal recommendation would be made at the May 18th HEHCo Board meeting. She was advised that following this meeting, her candidacy would be recommended by the HEHCo Board to Hamilton City Council for approval on June 8th.



Appendix b)

Kilbride Partners – Director Profile



Independent Directors Profile September 2022

Organizational Profile

Hamilton Enterprise Holding Corporation (“HEHCo” or “Corporation”) is a holding company owned by the City of Hamilton. HEHCo was established in response to the restructuring and deregulation of Ontario’s electricity industry in 2000. Today it owns and operates two businesses, HCE Energy, Inc. and HCE Telecom Inc.

HCE Energy, Inc. was established in 2002. HCE Energy provides non-regulated energy services in the form of thermal district energy to approximately 2.5 million square feet of commercial, institutional, and multi-residential facilities in Hamilton, and generates on-peak electricity for the City of Hamilton. HCE Energy earns revenues by charging customers for the supply and distribution of electricity and thermal energy, as well as operations and maintenance service. HCE's award winning primary facility together with its other operations offers sustainable energy solutions that align with the City of Hamilton's Vision 2020. To find out more, please visit <http://www.hamiltonce.com/abouthce.html>

HCE Telecom Inc. is a fibre-based communications company that was established in 2015. HCE Telecom is building a fibre network throughout Hamilton with the ability to extend its fibre offering directly to a significant portion of Southern Ontario. This fibre network will be the basis of HCE Telecom’s advanced network services that will service the data and voice requirements of both the enterprise business and MUSH (Municipal, University, School Boards & Healthcare) sectors. HCE Telecom earn revenues by acquiring customers and signing a term contract for services (3 years is typical). HCE Telecom then builds fibre or uses a 3rd party to deliver network access over which HCE Telecom delivers its services which currently include Ethernet, internet and voice services.

HEHCo’s CEO is Jeffrey Cowan, a strong business leader who brings over 20 years of experience in both the power and communications sectors, beginning as a network engineer at Bell Canada in 2000.

For further information please go www.hamiltonucorp.com, and www.hamiltonce.com.

HEHCo Strategic Direction

Background

Management and the Board of Hamilton Enterprise Holding Corporation (HEHCo) have made significant strides in developing and refining the strategic direction to ensure continued, sustainable growth and increasing Shareholder value.

Shareholder Value Strategy

HEHCo has recently adopted a triple bottom line approach to quantifying Shareholder value that includes Financial benefits to the Shareholder (i.e. dividend payments & cost avoidance), Social benefits to the Shareholder (i.e. economic development & community improvement), and Environmental benefits to the Shareholder (i.e. GHG emissions reduction).



In developing and growing the business, HEHCo measures its activities and aligns initiatives through the lens of these three components of the triple bottom line strategy.

Business Growth Strategy:

HEHCo has two main lines of business in the form of HCE Energy and HCE Telecom that own and operate a combination of energy, communications and technology related assets. Any strategic decisions of HEHCo for the purposes of this document are directly related to the unregulated energy and communications assets of HCE Energy & HCE Telecom and are independent of Hamilton Utilities Corporation (HUC) Shareholder activities in Alectra.

Growth for HEHCo comes from leveraging assets, platforms, customer relationships, internal talent and core competencies to expand its services into strategic markets and sectors where HEHCo can provide demonstrable value to its customers. The ownership and operating structure allow HEHCo to innovate in Hamilton and drive its capabilities outwards where HEHCo is uniquely positioned to provide energy, technology and communications services to the MUSH and B2B sectors throughout Ontario. HEHCo and Affiliates have a proven track record in these market segment with strong reference accounts serving as a springboard to grow into new MUSH and business account opportunities. The expertise and platforms that have been developed to deliver services locally are extended to target the broader MUSH market as well as strategic industrial and enterprise verticals. This has proven to be successful in growing the organization into new opportunities both within Hamilton and outside the city limits.

The core capabilities of HEHCo Affiliates include generation, district/campus energy, operations and maintenance, innovative connectivity solutions, data centre solutions and application services. Management is focused on aligning the initiatives of both HCE Telecom and HCE Energy to achieve economies of scale and scope, realize cost synergies, develop a thriving culture, improved communications, and achieve a unified approach to opportunity/ investment evaluation. These efforts will produce an organization that has a combined service offering that includes the intersection of the energy, technology and communications solutions that are uniquely positioned in the market. In the MUSH vertical, this will be positioned as 'smart city' solutions.

Organizational capacity is matched to the strategy through a nimble, lean, highly skilled workforce with internal expertise in business development, project management, product development, business and financial operations.

HEHCo continues to monitor and adjust to the changing regulatory framework ensuring that it is able to manage through an uncertain regulatory environment. As part of the strategy development, HEHCo is looking to emphasize solutions that are decoupled from the regulatory environment and are focused on customer value. In addition, the company is investing in emerging technologies that will enable its products and services to be market disruptive. HEHCo working to positioning itself to be at the front of the market adoption curves as communications and energy technologies continue to shift and evolve.



Responsibility and Structure of Board

As the result of the upcoming retirement of one Board member and the necessity to ensure that a majority of the members of the Board are residents of the City of Hamilton, the decision has been made to recruit one new Director to join the Board at this time. This Director will serve on the Human Resources Governance Committee.

Ideally, prospective Directors will have relevant industry and Board experience and will possess the competencies required by HEHCo to serve effectively. We are actively seeking diversity candidates and will favour those who possess an ICD.D or C.Dir. (or equivalent) designation. Any prospective Director **must be a current resident of the City of Hamilton** (which includes Ancaster, Stoney Creek, Dundas, Flamborough, and Glanbrook) and must have a legal background, together with experience in governance, municipal law or human resources.

The Board of Directors is responsible for stewardship of the corporation, supervising the management of the business and affairs of the company. The Board ensures that the business is operated in the best interests of the shareholder. The Board oversees and evaluates the performance of senior management in order to ensure the goals and objectives set out in the strategic plan for the business are achieved.

The Board delegates certain responsibilities to the Audit and Risk Management Committee and the Human Resources Governance Committee. Both of these Committees have a Mandate and Annual Program which govern their activities and the Chairman of each Committee is responsible for reporting to the full Board.

The role of a member of the Board of HEHCo is to contribute positively and effectively to the operation of the Board as a strong, active and independent Board.

In carrying out the functions as a Director, each Director will demonstrate a clear understanding of the statutory and fiduciary duties of a Director and a continuing commitment to act at all times honestly, in good faith and in the best interests of the Corporation and to exercise the care, diligence and skill of a reasonably prudent person.

The Board of Directors acts collectively and exercises its powers and responsibilities as a group. Individual Directors have no power to act on their own.

The Board of Directors operates under a mandate by which it assumes responsibility for a number of activities including:

- Adopting a strategic planning process for the company and monitoring performance against plan on ongoing basis
- Developing a charter setting out the purpose, responsibilities, operations and reporting of the Board and its committees
- Evaluating the Chief Executive Officer and other senior management and considering and approving compensation recommendations
- Developing the corporation's approach to corporate governance
- Succession planning
- Approving and reviewing compliance with risk management policies including capital management, internal control and management information systems to ensure reliability of financial information and safeguarding of company's assets
- Establishing committees of the Board



- Evaluating and approving all significant business investments and transactions involving the company including acquisitions and divestitures
- Adoption of a code of business conduct and ethics
- Satisfying itself as to the integrity of the senior officers of the company and as to their creation of a culture of integrity
- Conducting regular assessments of the Board as a whole and its individual members

Board Meetings/ Process

General Board and Committee meetings occur five times annually. In addition, there is one Strategy Session annually and a March Special Committee and Board meeting. During COVID, these meetings were held virtually but recently meetings have returned to in person. Board members typically sit on at least one Committee.

In addition, Board members must make themselves available from time to time as special circumstances arise. Board members are expected to stay informed about committee matters and to prepare well in advance for meetings and reviews.

They are expected to get to know other Board members and to build a collegial working relationship that contributes to consensus. Board members need to be active participants in annual planning and evaluation processes.

Members of the Board of Directors

Chair, Board of Directors- Laurie Tugman - In addition to being a Director of HEHCo, he is currently President and CEO TDL Canada Inc., and Vice Chairman and of the Advisory Board for Sustainable Business, CPA Canada. serves as an Advisory Board member and Executive-in-Residence for FEI Canada's Leadership Beyond Finance Program.

Mr. Tugman was the former President and CEO of Marsulex Inc., from 2004 until its sale in June 2011. He is a former Director of a number of Corporations. Mr. Tugman was elected a Fellow Chartered Accountant in 2011. He obtained his ICD.D in 2015. A member of Financial Executives International Canada (FEIC), he served on FEIC's Board from 2004 to 2007, and was a founding Chairman of one of the national committees. He has also served on the Chemistry Industry Assn. of Canada's (CIAC) Board from 2007 to 2011 and was Chairman from 2010 to 2011.

Chair, Audit and Risk Management Committee- Greg McCamus - Greg McCamus is President, Energy Distribution, Superior Plus Corporation based in Mississauga Ontario. The Energy Distribution business consists of Superior Propane, the largest propane distribution company in Canada and Superior Plus Energy Services which provides propane and other fuel distribution services to the US marketplace. Prior to Superior he held a number of senior positions in the competitive telecommunications industry with Call-net Enterprises (Sprint Canada), AT&T Canada, and Unitel Communications.

Mr. McCamus holds an HBA from Huron College (University of Western Ontario) and an MBA from York University and the ICD.D designation from the Institute of Corporate Directors. He is a member of the National Propane Gas Association (US) board of directors and a past member of the board of directors of The Learning Partnership.



Chair, Human Resources Governance Committee- Julia Kamula - Julia Kamula is a recently retired Senior Media Executive with over 30 years' experience in Canada's leading print and digital publishing, distribution and print manufacturing organizations. In her most recent role, she was Senior Vice President of TC Media – Transcontinental Inc. Previous to joining Transcontinental, Julia was Executive Vice President of Operations for Sun Media – Quebecor Inc. She joined Sun Media through the acquisition of Osprey Media in 2007 where she was Senior Vice President of Operations.

Ms. Kamula is a certified Director (ICD.D) with extensive experience on large complex boards in the education, healthcare and news media sectors. In addition to serving as a director on the boards of the Atlantic Free Daily Newspaper Group and Niagara College Canada, she has also been a Director and Marketing Committee Chair on the News Media Canada Board and a Director and Chair of the Capital Projects Committee for the Board of Brock University. Julia is currently past Board Chair of Hamilton Health Sciences Corporation and is a proud resident of downtown Hamilton.

Tony Thoma - Tony has worked in several senior-level positions in academia and industry including: Dean of Engineering Technology, VP operations and Global technical director. In Industry these experiences include participation in due diligence investigations to secure partners, site locations, and commissioning manufacturing plants in Canada, USA, Mexico, Hungary, and China. Tony's roles within industry have included operations, process quality, maintenance, engineering and energy management with an international automotive parts company.

In Academia Tony has managing large technical schools working with industry partners to bring the latest trends in technology to the market and preparing students for successful careers in developing topics such as Smart Energy Systems, Automation, Mechatronics, and Industry 4.0.

Tony's board experience includes 9 years at St. Joseph's Hospital in Hamilton, 3 years on the Ontario Independent Electricity System Operator (IESO) Stakeholder Advisory Committee and is currently on the advisory board for Thompson Gordon Group in Burlington. Tony has also recently served for the City of Hamilton's Citizens Jury committees for Area Rating and LRT initiatives.

Credentials include being a licensed Professional Engineer (PEO), an MBA from the University of Western Ontario, an Honours BBA from Brock University, and a B.Sc. in Metallurgy and Materials Science from McMaster University. More recently Tony has completed the McMaster University Chartered Directors Program.

Elizabeth Di Donato - Elizabeth is a senior executive who for the past few years has been assisting enterprises achieve significant strategic objectives through assignments in corporate branding, process re-engineering, governance realignment, corporate reorganization including acquisitions and divestitures, record keeping and data analytics. Elizabeth has held executive positions in the global enterprises of McCain Foods, Siemens and International Wallcoverings, and has served as the Executive Director of the Research Oversight and Compliance Office at the University of Toronto.

Elizabeth graduated from the University of Ottawa with a degree in Business Administration, and went on to become a C.P.A. Chartered Accountant. Elizabeth honed her management and governance skills during her tenure at Price Waterhouse and Pricewaterhouse Coopers where she led numerous special and assurance engagements at the regional office level as well as advising other



professionals from the Canadian National Office. Elizabeth also obtained the Chartered Director designation from McMaster University, and is a life-time resident of the City of Hamilton.

Compensation

The HEHCo Administrative Practices Policy outlines the principles governing the compensation that is to be paid to Directors in the form of an Annual Retainer Fee and Meeting Fees. Company related expenses are to be submitted by Directors as per the Company Policies and are not part of the Annual Retainer Fees or Meeting Fees. This Policy is reviewed and updated annually.

The compensation for a Director sitting on the Human Resources Governance Committee will include an Annual Retainer and meeting fees, which are estimated to total \$ 23,300 p.a.

A Director may also be entitled to additional compensation for work that is designated by the Board as a "Project" (eg. mergers and acquisitions work, bond issuance).

Qualifications and Experience of Board Members

Prospective Board members are expected to have significant business experience and will possess strong vision, sensibility and strong financial acumen. Board members will need to demonstrate intellectual and emotional independence i.e. fairness, openness and impartiality. The Board is the champion of rational decision making for the business.

HEHCo is recruiting to identify prospective Board members with the following specific skills, personal qualities, attributes and experiences :

General experience:

- Prior or current Board Member or Executive level experience;
- Law Degree (LLB) ;
- A strong entrepreneurial background that will relate to the challenges and opportunities facing the CEO of HEHCo;
- Well versed in corporate governance and best practices through related experience and on-going professional development; able to apply this experience to a smaller yet complex organization without overwhelming management ;
- Familiarity with HR related issues and municipal law;
- A strong educational background; and
- The qualifications, attributes and drive to assume greater Board/Committee leadership activities.



Personal Attributes

- Willing and able to devote the time and energy needed to fully participate on an operational Board;
- Collaborative, with a can-do attitude, and a focus on adding value, willing to roll up their sleeves without overstepping boundaries;
- Strong communication skills with the ability to listen carefully, raise questions constructively and encourage and build upon open discussion of key issues;
- Proven ability to build relationships and develop a strong network of industry contacts;
- Encourages and respects others' perspectives;
- Works effectively, collaboratively and resiliently with orientation towards resolving conflicts and maintaining healthy relationships;
- Innovative and creative towards developing new ways to address business issues;
- Unquestionable integrity, ethics, and standards;
- Resident of the City of Hamilton ;
- Interested in local political landscape, familiar with local issues impacting the business; and
- Other considerations in selecting Board members include nature of affiliations/network connections to benefit HEHCo, interest in the business of HEHCo, maturity, conflict resolution skills, accountability for actions and level of self-confidence.

Confidentiality

We respect the privacy and confidentiality of personal information provided by candidates in our search assignments. By providing us with a copy of your resume and any subsequent personal information directly or from third parties on your behalf such as references, you understand that it has been furnished with your knowledge and consent for the purpose of possible disclosure to our client. We will not disclose your personal information to clients without your prior knowledge and consent.

Thank you for considering this important opportunity. This document is intended to provide the reader with information and is not a contractual document. Some of the material therefore may be subject to change. Please feel free to contact us should you have any questions.



Contact

Interested parties are encouraged to forward their resumes electronically to:

Mark W. Cosens
Managing Director
Kilbride Partners



We thank all applicants for their interest, however only those candidates selected for interviews will be contacted.



Appendix c)

Kilbride Partners – Skills Matrix

Hamilton Enterprises Holding Corporation

Board of Directors Competencies Matrix – Self Assessment by Candidates

Name: Anna Ventresca		Measurement
Skills / Competencies	Entrepreneurial Corporate Management	4/5
	Corporate Governance	5
	Financial Expertise	4.5
	Vision & Strategy	5
	Risk Assessment	5
	Human Resources	4
	Infrastructure Investment	3
	Operations	4
	Government Relations	3.5
	Project Management	5
	Project Development	4
	Corporate Development and M&A	5
Other Attributes	HUC / HEHCo Values	5
	Ties to Hamilton	5
	Diversity	5
	Board Leadership	5

COMPETENCY MEASUREMENT SCALE

- 1 Limited direct or relevant experience
- 2 Some experience: Could effectively follow the conversation
- 3 Qualified: Bring sufficient understanding to contribute effectively to board decision making
- 4 Very Qualified: Could actively contribute and bring value to the conversation, however would not be considered an expert
- 5 Well Qualified: Has knowledge and expertise to lead board in decision making



Appendix d)

CV of Ms. Ventresca

ANNA VENTRESCA, LL.B, ICD.D

An accomplished Legal Executive with cross-listed, publicly traded, large multi-national companies, as well as the public sector. With more than 20 years in highly regulated industries, a deep expertise in identifying, evaluating and mitigating risks as a member of executive management advising the Board of Directors and as a Board member. A proven track record leading complex global legal and compliance functions as well as comprehensive experience in leadership roles on various Boards.

Professional History

Hamilton Health Sciences May 2017 - Aug 2020 (retired)
 Head Office, Hamilton, Ontario

VP Legal, General Counsel & Corporate Secretary

- Reporting to the CEO and Board of Directors of Ontario's second largest hospital system, established a legal department and corporate secretarial function proper for size of organization.
- Responsible for enterprise risk management, privacy, insurance portfolio, litigation oversight, and general risk management and mitigation, all of which was elevated to a standard of best practices.
- Worked extensively with Board of Directors including regular presentations to Audit Committee and Board, provided governance training to the Board and assisted CEO in keeping the Board apprised of significant developments.

Nortel Sept 2000 - Dec 2012

Global Headquarters, Mississauga, Ontario

General Counsel, Corporate Secretary & Chief Compliance Officer, Aug 2009-Dec 2012

Assistant General Counsel-Corporate & Assistant Secretary, Jul 2007 – Aug 2009

Associate General Counsel-Corporate & Assistant Secretary, Sept 2006 – Jul 2007

Assistant Secretary and Counsel- Securities, Aug 2005 – Sept 2006

Securities Counsel, Sept 2000 - Jul 2005

- Part of core team in the planning and preparation for Nortel's filing for creditor protection in Canada, the United States and in the United Kingdom on January 14, 2009, and since filing, part of senior management team working with the Canadian Monitor and several global advisors and other stakeholders in the restructuring process, while continuing with the responsibilities below in light of these developments.
- As General Counsel, Chief Compliance Officer & Corporate Secretary, oversight of all legal matters, and involved in all main transactions and developments in relation to creditor protection proceedings while working closely with senior leadership team and company's advisors; led legal teams responsible for: company's Canadian and U.S. compliance with securities laws; litigation; executive compensation matters; corporate communications; and corporate secretarial and governance. Set agendas for biweekly Board of Directors meetings.
- As Chief Compliance Officer, led a global team of compliance experts responsible for the oversight of the company's ethics and compliance policy including ethics hotline and investigations, FCPA matters, employee communications and training, and Business Code of Conduct. Direct reporting line into Audit Committee, and reported on a regular basis to the Audit Committee on status of ethics compliance activities and resourcing.

- Pre creditor protection proceedings, and post as applicable, led the Public Markets legal group that supported the Control, Treasury, Investor Relations and Corporate Communications functions. Provided legal and strategic advice to executive management regarding U.S. and Canadian securities laws matters and generally responsible for Nortel's continuous disclosure obligations, including the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and equivalent Canadian filings, OSC and SEC comment letters, and various other regulatory reporting. Prime counsel on the company's four restatements and independent investigation, and worked extensively on the various regulatory matters in connection therewith, including settlement with the OSC and SEC.
- As Chair of the Disclosure Committee, responsible for implementing committee's mandate and updating the company's Disclosure Policies & Procedures. Set committee's agenda, determined matters to be brought forward for approval as well as developments in Canadian and U.S. disclosure rules under applicable securities laws. Coordinated cross functional materiality analyses of events and developments. Regular presentations to Audit Committee and Board of Directors on disclosure related matters.
- Partnered with Investor Relations and Corporate Communications in all aspects of communications, including earnings announcements and guidance updates, preparation of significant corporate press releases and related materials, advised CEO and senior management on disclosures both internal and external on a proactive and reactive basis; responsible for all corporate communications during creditor protection proceedings
- Pre creditor protection filings, provided strategic advice and legal support to CFO and Treasury on all capital markets planning and transactions, including high yield and convertible notes offerings, and 2001 syndicated credit facilities and the company's first global security arrangements.
- Legal prime on remedial measures in internal controls and material weakness elimination projects, assisting the CFO and Finance function in development of project and preparation of documentation, both internally, to Audit Committee and reporting to regulators.
- As legal prime on the restatements and related activities, including assistance on resolution of accounting issues and responsibility for the preparation of bi-weekly press release updates and related filings, played a leadership role in preparation and filing of the restated financial statements and bringing the company current in its financial reporting.
- Pre creditor protection proceedings: Member of Nortel's Executive Leadership Team (top senior leaders, approximately 150 of the total 30,000 employees). Member of Nortel's Toronto Leadership Council. United Way Campaign Executive Sponsor and Chairperson for Nortel's Global Headquarters in 2008 and 2007, doubling campaign contribution in 2007 over 2006, and doubling participation levels in 2008 from 2007. Active mentor pursuant to various internal mentorship programs.

Philip Services

Nov 1995 - Aug 2000

Global Head Office, Hamilton, Ontario

Senior Counsel

- Working closely with a cross functional management team, legal prime on all aspects of over ten acquisitions during a two year period of both privately and publicly held companies primarily in the U.S. in the metals recycling and industrial services industries, including negotiating terms and conditions, preparation of Hart-Scott-Rodino filings and in one instance appearing before the U.S. Department of Justice, and addressing environmental and tax issues.
- Instrumental in the CCAA and Chapter 11 restructuring of the company as a debtor in possession during 1999 and 2000, including monitoring of compliance with court ordered restrictions on the company.
- Supported General Counsel in several corporate areas including financial reporting in compliance with both Canadian and U.S. regulatory requirements, cross border financings

and credit facilities, executive employment matters, environmental issues, tax restructurings and oversight of the corporate and securities law clerks.

Lewis, Brown, Scarfone, Hawkins Jun 1992 – Oct 1995

Hamilton, Ontario

Associate Lawyer, January 1994 - October 1995

- Concentrated in areas of corporate law, commercial transactions and mergers and acquisitions. Assisted in firm recruitment and client marketing.

Articling Student, Bar Admission Course, June 1992 - December 1993

- One year of articling training included rotations in corporate, mergers and acquisitions, tax, banking and finance, real estate, wills and estates and litigation

Education

University of Toronto, Rotman 2014

Toronto, Ontario

Directors Education Program, obtained ICD.D in 2014

The Law Society of Upper Canada 1994

Toronto, Ontario

Admitted as a member to the Law Society of Upper Canada

University of Western Ontario 1989-1992

London, Ontario

Bachelor of Laws

McMaster University 1984-1988

Hamilton, Ontario

Honours Bachelor of Arts, Experimental Psychology

Board Memberships

- Several year terms serving on the Boards of Hillfield Strathallan College (HSC), Art Gallery of Hamilton (AGH), Mohawk College and Hamilton Health Sciences (HHS). Chair of HSC and was incoming Chair of Mohawk and AGH when General Counsel role at HHS was taken on. Further served on several Committee Chair roles including Finance committees.
- Currently Chair & President of Condominium Corporation 66 for Touchstone Resort on Lake Muskoka.

Interests

- Extensive travel, culinary skills, restoration of a century home
- Wide range of musical interests; Canadian Opera Company supporter; grade 8 piano
- Historic-based and global affairs literature
- Legal Aid Case Worker, Yearbook Editor, University of Western Ontario



Appendix e)

Biography and Profile of Ms. Ventresca

Anna Ventresca

Director; General Counsel; Securities &
Corporate/Governance Lawyer
Hamilton, Ontario

Anna Ventresca is an accomplished Legal Executive with cross listed, publicly traded, large, multinational companies, as well as the public sector. With more than 20 years experience in highly regulated industries, Anna has developed a deep expertise in identifying, evaluating and mitigating risks in both capacities as a member of executive management advising the Board of Directors and as a Board member. Anna has a proven record of leading legal and compliance functions as well as managing large teams globally.

Anna has extensive experience in Canadian and U.S. securities laws, corporate governance, corporate communication, investor relations, finance and treasury as well as insolvency, restructuring and crisis management, and health law.

Most recently, Anna served as VP Legal Services, General Counsel & Corporate Secretary, Hamilton Health Sciences (HHS), Ontario's second largest hospital network. Reporting to the CEO and Board of Directors, she established a legal department and corporate secretarial function proper for the size of the enterprise. Further, she was responsible for the enterprise risk management function, privacy function, insurance portfolio, litigation oversight, and general risk management and mitigation, all of which she elevated to a standard of best practices. She worked extensively with the Board of Directors including regular presentations to the Audit Committee and Board, provided training to the full Board and assisted the CEO in keeping the Board apprised of significant developments.

Prior to HHS, Anna was General Counsel, Corporate Secretary & Chief Compliance Officer, Nortel Networks where she led a global legal and compliance function of over 100 people during the company's four years of creditor protection under CCAA and Chapter 11. She was principal in house counsel on the four Nortel financial restatements, and corresponding Audit Committee and regulatory investigations, including extensive, multi year interactions with Canadian and US securities regulators, stock exchanges, Nortel's auditors, independent investigators and Nortel's executive management and Board of Directors. During her 12 year tenure at Nortel, the company was continuously in periods of significant change and crisis management.

Anna completed the Directors Education Program at Rotman, University of Toronto, and obtained the ICD.D in 2014. She served on the Boards of Hillfield Strathallan College (HSC), Art Gallery of Hamilton (AGH), Mohawk College and Hamilton Health Sciences (HHS). She served as Chair of HSC, and was incoming Chair of Mohawk and the AGH when she took on the General Counsel at HHS. Further, she served in several Committee Chair roles through these Board appointments including Chair of Finance committees. She is currently Chair & President of Condo Corporation 66 in relation to Touchstone Resorts in Muskoka.



May 31, 2023

**Hamilton Enterprises Holding Corporation
Nominating Committee Recommendation Report – 060823 - B**

re: Private Director Nominations for re-appointment to Board of Hamilton Enterprises Holding Corporation

Background:

The Board of Directors of Hamilton Enterprises Holding Corporation (“HEHCo”) is comprised of six (6) private Directors and the Mayor’s surrogate for a total composition of seven (7) board members.

On October 13, 2020, the Shareholders resolved Tony Thoma be appointed as Director of HEHCo for a 3-year term, expiring June 30, 2023. Mr. Thoma is a member of the Human Resources/Governance Committee, is a highly valued member and plays a key role on the Board, bringing experience and expertise in the Energy and Industrial sectors. Please find attached as *Appendix a) CV of Mr. Thoma*.

On December 10, 2021, the Shareholders resolved Elizabeth DiDonato be appointed as a Director of HEHCo for a term commencing on the date passed, and expiring June 30, 2023. Ms. DiDonato is a member of the Audit and Risk Management Committee and brings considerable financial and audit expertise and is a highly valued key member of the Board. Please find attached as *Appendix b) CV of Ms. DiDonato*.

As the terms of both Tony Thoma and Elizabeth DiDonato, is expiring in June 2023, the Nominating Committee of HEHCo seeks the reappointment of both for another three-year term.

Recommendation:

Inasmuch as Mr. Thoma and Ms DiDonato have previously gone through the approval process of HEHCo, under the Shareholder’s Direction given to HEHCo by the City of Hamilton (the “City”) pursuant to 4.07 and 4.08 of the Unanimous Shareholders Declaration, dated June 6, 2018, it is recommended by the HEHCo Nominating Committee and the HEHCo Board of Directors the City’s approval for the reappointment of Mr. Thoma and Ms. DiDonato for a three-year term as private directors of the HEHCo Board. Please find attached as *Appendix c) a current bio for Mr. Thoma and Appendix d) a current bio for Ms DiDonato*.

Attachments:

- Appendix a) CV of Mr Tony Thoma*
- Appendix b) CV of Ms Elizabeth DiDonato*
- Appendix c) Biography of Mr. Tony Thoma*
- Appendix d) Biography of Ms. Elizabeth DiDonato*

APPENDIX a)

CV of Mr. Thoma

Tony Thoma



PROVEN COMPETENCIES

- Results-driven professional with a progressive management career in industry, research, and academia.
- Ability to facilitate and be a strong champion of change management, innovation, and continuous improvement.
- Strong communication and persuasion skills which successfully influence the direction of key strategic initiatives
- Proven ability to work cross-functionally with self directed work teams in unionized and non-unionized environment and collaboratively drive business objectives
- Demonstrated relationship management through “Servant Leadership” to foster positive and productive results engaging all three corners of the stakeholder triangle (Customers, Shareholders, and Employees)

EDUCATION:

C. Dir. - Chartered Director Program - Feb 2017
The Director’s College, McMaster University, and The Conference Board of Canada

Executive MBA, Graduated Oct, 1998
Ivey School of Business, University of Western Ontario, London, Ontario

Honours Bachelor Business Administration, Graduated June, 1996
Brock University, St. Catharines, Ontario.

BSc, Metallurgy and Material Science, Graduated May, 1983
McMaster University, Hamilton, Ontario

Professional Engineers Ontario (PEO) - Licensed PEng
Canadian Controlled Goods Program – Designated Official
Six Sigma Black Belt Certificate – e-Zsigma Canada

EMPLOYMENT:

Conestoga College – Cambridge Ontario July 2019 to current
Executive Dean - School of Engineering/Technology, Trades/Apprenticeship

- Responsibility of over forty program areas across five campuses in the Kitchener, Cambridge, Waterloo, Guelph and Brantford communities
- Growth and development of new diploma and accredited Engineering degree programs
- Design and commission of new Trades campus in Cambridge

- Implementation of digital delivery strategy
- Develop partnerships with Conestoga Applied research and industry partners to provide experiential learning opportunities for students across the school
-

Niagara College - Welland, Ontario
Special Advisor to the President

March 2018 to July 2019 (contract)

- Investigation and due diligence of strategic projects
- Providing discussion papers and recommendations to President and Board of Governors
- Development of new Centre of Excellence

Interim Dean – Media, Trades & Technology Division Aug 2017 to Feb 2018 (contract)

- Responsible for a division of four schools:
 - o School of Technology
 - o School of Media
 - o School of Trades
 - o Apprenticeship

Consultant (part time)

Feb 2009 to current

Providing clients with services including:

- Operations change management
- Development of SOPs, KPIs, Balanced Scorecards and Best Practices
- Operational Risk Management Analysis
- Energy management
- Technology transfers
- Training program development

Mohawk College - Hamilton, Ontario

Dean Engineering Technology, Skilled Trades and Apprenticeship Nov 2009 to Dec 2016

- Responsible for a faculty and staff of 200 Unionized full and part time employees serving over 4500 students in the four schools:
- Oversight and Member of Steering committee for McMaster/Mohawk BTech Degree programs
- Facilitation and support of applied research projects including the development of the Mohawk Additive Manufacturing Resource Centre (AMRC), Mohawk Energy Resource Centre (MERC) and mHealth & eHealth Development and Innovation Centre (MEDIC)
- Working closely with Federal and Provincial funding organizations to provide solutions for industry partners
- Successful award of CFI/ORF Applied research grant for total of \$2.0 million
- Successful award of NSERC Applied research grant of \$2.3 million
- Assisted many small and medium sized enterprises obtain FedDev grants for their

applied research.

- Through Federal Strategic Investment Fund (SIF) and corporate donations was granted funding for Mohawk's new \$50 million Net Zero Energy Partnership and Innovation Centre to house new Engineering Technology programs
- Partnership with IBM to develop Watson Analytics courses
- Partnerships development with Siemens, Bosch and Allen Bradley to develop Mechatronics programming

Matalco Inc
Brampton, Ontario

Aug 2008 to Jan 2009

VP Operations

- Responsible for all operations of an Aluminium bar casting facility with annual sales of \$120 million
- Direct reports included Plant Manager, Maintenance, Engineering, Purchasing, Production scheduling, Inventory control, Health/Safety/Environment as well as Process/Quality leadership
- Technical support to sales team to develop and manage customer base
- Successfully developed a long term strategic plan for plant expansion to meet market penetration goals.
- Development of key performance indicators and CI (Continuous Improvement) plans resulting in the re-alignment of incentive systems with performance. Aligning of these goals to satisfy ISO 9002 and ISO 14000 accreditation.
- Recommended and executed hedging strategies for Raw material, Natural Gas and Electricity procurement reducing commodity risk exposure.

Wecast Industries
Brantford, Ontario

Jan 1994 to Aug 2008

Global Technical Director

Nov 1999 – Aug 2008

- Leading best practices and continuous improvement committees across all facilities
- Providing technical support and leadership for four automotive Tier One factories supplying exhaust manifold and turbo housing plants in Canada, USA, Hungary and China.
- Providing technical support for customer interactions, product development and product/tooling quotations
- Supervision of senior Engineering and Process staff in the areas of Mechanical, Electrical, Mould tooling, Construction, Environmental, Health & Safety, and Maintenance areas
- Preparing sites for ISO and QS quality audits and accreditation
- Technical lead in a cross functional procurement team approving vendors of raw

- castings, raw materials and consumables.
- Member of Technical Steering committee overseeing “Evergreen” process of evaluating major initiatives in the company from a Materials, Process and Product perspective to ensure that the right projects are being implemented and resourced. This included applications for government SRED tax credits.
- Technical representative of the Corporate Project Approval Committee responsible for reviewing and approving capital spending of over \$100 million.
- Responsible for corporate Energy Management for electricity and natural gas
- Member of Ad-hoc corporate Mergers and Acquisitions team. Conducted International due diligence in Hungary, Czech Republic, Mexico, USA and China
- Successful negotiations with the City of Brantford to purchase and develop Wescast’s \$24 million corporate offices and R&D facility as the flagship development for the new West End Industrial park.
- Partnership with McMaster Manufacturing Research Institute (MMRI) to develop acoustic inspection technology and evaluate machinability of new nickel based iron alloys

Norton Advanced Ceramics of Canada Ltd.
Niagara Falls, Ont.

Nov 1988 - Dec 1993

Process Engineer

- Responsible for the process improvements of five production groups
- Supervision of production staff in unionized environment (Teamsters)
- Supervision of water treatment and settling pond lagoon monitoring
- Implementation of procedures and documentation to achieve ISO9002 certification
- Supervision of the sample preparation area and chemical laboratory
- Development of new products in conjunction with the R&D department

Canron Inc. (Stanton Pipes Ltd.)
Hamilton, Ontario

Nov 1984 - Nov 1988

Supervisor

- Supervision of production unionized staff (United Steelworkers)
- Responsible for daily metallurgical operations required in centrifugal casting and heat treating of Ductile iron water main pipe.
- Member of Design and construction team for new processes and equipment

Professional/Industrial Memberships:

Board member - Hamilton Utilities Corporation

Board member – Thompson Gordon Group

Board member – Ontario Workplace Safety and Prevention Services (WSPS)

- Member IESO (Independent Electricity System Operator)
- Stakeholders Advisory Committee for 2 terms finishing July 2015
- Member AMPCO (Association Major Power Consumers of Ontario)
- Member for fourteen years
 - Board member for four years ending in 2008
- Member Board of Directors – Canadian Institute of Non Destructive Evaluation (CINDE) - (2015-2016)
- Member McMaster University Faculty of Engineering Dean’s Advisory board (2012-2018)
- Member CanMet Natural Resources Canada Hamilton Advisory Committee (2013-2016)
- Member National Council of Deans of Technology - (2009-2016)
- Member Canadian Manufacturers and Exporters (CME)
- Energy committee (2012-2016)
 - HR/WSIB committee (2010 -2016)
 - Additive Manufacturing advisory board (2015-2016)

Volunteer Participation

Board member - Hamilton Beach Canal Lighthouse Group

Jury panelist for funding requests – Yves Landry Foundation

- Member Joint Board of Directors – St. Joseph’s Hospital, Hamilton
- Board of Directors – St. Joseph’s Villa, Dundas
 - Vice Chair Governance Committee
 - Vice Chair Investment committee
 - Past member Capital and Construction committee
 - Past member Quality committee

City of Hamilton

Citizens forum City of Hamilton for Area Rating of Taxes 2011

Chair of steering committee, LRT Citizen’s Jury, City of Hamilton 2016

Hamilton Chamber of Commerce Energy Committee

APPENDIX b)

CV of Ms. DiDonato

Elizabeth DiDonato, B.B.Adm., C.P.A. C.A., C. Dir.

[REDACTED]

[REDACTED]

- A chartered accountant with 14 years of public practice experience plus over 20 years of business experience in executive positions in a variety of industries and environments. Deep operational expertise in the development and execution of strategic plans, design and implementation of business solutions, processes and controls, including enterprise risk management programs. Equally strong in financial reporting, auditor engagement, initial public offerings, acquisitions, post-closing integrations, divestitures and restructuring.
- A chartered director with extensive experience in governance for both private and public organizations. Extensive experience in design and implementation of global compliance programs and investigation protocols, with the objective to align culture and operational practices to the governing vision, mission and values of the organizations.

Summary of Executive and Senior Positions Held:

Independent Executive 2014-Present

- Undertaken various assignments including enterprise grooming, corporate branding, assistance in record-keeping for start-ups, advising small owner-operated enterprises and property management activities

McCain Foods Limited 2012-2014 (Vice President Global Governance and Compliance) - international food processor with 19,000 employees operating in 160 countries and 50 production facilities

- Reported to the Executive Vice President, Global Business Practices and Chief Legal Officer, with enterprise wide responsibility for global corporate governance and international business practices
- Ensured alignment with McCain values, business objectives, Code of Conduct and expectations of multiple stakeholders
- Conducted investigations, research and analysis of various operational and administrative situations
- Assisted CEO as interim CFO during search and transition to new operational strategy

University of Toronto 2009-2012 (Executive Director, Research Oversight and Compliance Office)

- Led the development of research administrative financial policy and procedures to ensure optimal oversight of all research activities within the University of Toronto, including accounting and financial reporting of research activities, research ethics protocol, and legal matters related to research
- Liaised with other central expert functions in the design, development and delivery of processes and procedures in support of the research enterprise residing in each of the Faculties
- Executed monitoring procedures including investigations, root-cause determination and remediation plan design, with the responsibility to address evolving accountability to grantors, the Governing Council of the University of Toronto, the global research community and the public at large

Siemens: 2000 - 2009

Siemens Canada Limited 2007-2009 (Vice President Compliance Project Office)

- Designed and implemented a reorganized governance structure for all Siemens operations in Canada to provide effective oversight through the development of policies, processes and a system of internal controls
- Ensured risk identification and mitigation methodology was appropriately designed and executed, and vulnerabilities or exposures were fairly represented and disclosed
- Rolled out global project designed to educate all Siemens Canadian employees on compliance matters, and strengthen the effectiveness of the internal control system, including speaking with employees across the country on the difficulties experienced in the front lines of the operations and how to address the practicalities of adhering to policies

Siemens Building Technologies, Ltd. 2005-2008 (Treasurer and Vice President Finance) wholly owned subsidiary of Siemens Canada Limited; \$190 million in annual sales

- Responsible for an SAP implementation and the human aspects of change management of 3 smaller acquisitions merged together to form Siemens Building Technologies, represented by 17 field operations across Canada
- Executed significant initiatives in pension reorganization, accounting and financial reporting, supply chain optimization, operational productivity improvements, acquisitions including due diligence, purchase price negotiation and post-closing operative integration
- Member of the Board of Directors

Siemens Canada Limited 2000-2005 (Vice President Corporate Finance & Controlling) wholly owned subsidiary of Siemens AG; \$2.6 billion in annual sales

- Responsible for financial aspects of all Canadian activities pertaining to operations including business reorganizations, acquisitions, divestitures, customer and supplier negotiations, shared-services arrangements, international trade regulatory compliance, income taxes, pensions, credit, treasury, accounting practices, external audit and financial reporting to the parent company, an SEC registrant
- Implemented Sarbanes Oxley Act Sections 302 and 404 in all of Siemens Canadian operations

International Wallcoverings Limited 1997-2000 (Chief Financial Officer) \$160+ million Toronto Stock Exchange Company with 8 subsidiaries located in 5 countries.

- Reported directly to the Board of Directors and interfaced with operational executives to identify problems contributing to under-performance, devise strategies for loss control, cash flow management and divestures
- Prepared and presented numerous financial models while negotiating with incumbent institutional creditors and potential acquirers, ultimately assisting with the orderly disposition of the company

PricewaterhouseCoopers and Price Waterhouse 1988-1997 (Senior Manager) – Assurance practice at both local and national offices, and management consultant.

- Led numerous significant accounting, audit, tax and special engagements while assisting clients of the Canadian, US and European practice with preparation of documents required by Canadian and US regulators, including IPO and other offering prospectuses, other road show material and client support in negotiating with regulators

Summary of Director Positions Held:

Ancaster Heritage Days 2018- Present Community organization that arranges family events for the residents of Ancaster

Siemens Building Technologies, Ltd. 2005-2008: provides complete technical infrastructure for electronic security, fire safety, comfort and energy efficiency in public and private spaces

Sidelco Inc. 2005-2008: provides hi-tech facility security in the province of Quebec

Ivara Corporation 2002-2005 interest acquired as part of Siemens global R&D strategy in product development for manufacturers in Siemens Industry Sector

Siemens Milltronics Process Instruments Inc. 2001-2003: formerly a TSX listed company with Canadian manufacturing facility exporting world-wide; acquired in 2001 as part of Siemens global R&D and manufacturing strategy for the Siemens Industry Sector

Siemens Westinghouse Atlantic Services Inc. 2000-2005: Siemens consortium vehicle for a project involving off-shore oil rigs

Siemens Financial Services Limited 2000-2005: Siemens Canadian lease operations

Siemens Capital Canada Inc. 2000-2005: financing vehicle for Siemens Canadian operations

Designations:

Chartered Professional Accountant (C.P.A.) 2012; Chartered Professional Accountants of Ontario

Certified Risk Information System Control (CRISC) 2011; Information Systems Audit and Control Association (ISACA)

Chartered Director (C. Dir.) 2009; The Directors College, McMaster University

Chartered Accountant (C.A) 1989; Institute of Chartered Accountants of Ontario

B.B.Adm. 1982; University of Ottawa

APPENDIX c)

Biography – Mr. Tony Thoma

Tony Thoma has worked in several senior-level positions in academia and industry including: Dean of Engineering Technology, VP operations and Global technical director. In Industry these experiences include participation in due diligence investigations to secure partners, site locations, and commissioning manufacturing plants in Canada, USA, Mexico, Hungary, and China. Tony's roles within industry have included operations, process quality, maintenance, engineering and energy management with an international automotive parts company.

In Academia Tony has managing large technical schools working with industry partners to bring the latest trends in technology to the market and preparing students for successful careers in developing topics such as Smart Energy Systems, Automation, Mechatronics, and Industry 4.0.

Tony's board experience includes 9 years at St. Joseph's Hospital in Hamilton, 3yrs on the Ontario Independent Electricity System Operator (IESO) Stakeholder Advisory Committee and is currently on the advisory board for Thompson Gordon Group in Burlington. Tony has also recently served for the City of Hamilton's Citizens Jury committees for Area Rating and LRT initiatives.

Credentials include being a licensed Professional Engineer (PEO), an MBA from the University of Western Ontario, an Honours BBA from Brock University, and a B.Sc. in Metallurgy and Materials Science from McMaster University. More recently Tony has completed the McMaster University Chartered Directors Program.

APPENDIX D)

Biography – Ms. Elizabeth DiDonato

Elizabeth DiDonato is a senior executive who for the past few years has been assisting enterprises achieve significant strategic objectives through assignments in corporate branding, process re-engineering, governance realignment, corporate reorganization including acquisitions and divestitures, record keeping and data analytics. Elizabeth has held executive positions in the global enterprises of McCain Foods, Siemens and International Wallcoverings, and has served as the Executive Director of the Research Oversight and Compliance Office at the University of Toronto.

Elizabeth graduated from the University of Ottawa with a degree in Business Administration, and went on to become a C.P.A. Chartered Accountant. Elizabeth honed her management and governance skills during her tenure at Price Waterhouse and Pricewaterhouse Coopers where she led numerous special and assurance engagements at the regional office level as well as advising other professionals from the Canadian National Office. Elizabeth also obtained the Chartered Director designation from McMaster University, and is a life-time resident of the City of Hamilton.