

**RESOLUTION OF THE CITY OF HAMILTON ACTING AS THE SOLE  
SHAREHOLDER OF  
HAMILTON UTILITIES CORPORATION  
(the "Corporation")**

**WHEREAS**, the Board of Directors of the Corporation passed a resolution on May 24, 2018 in the form set out in Appendix "A" that approved a Dividend Policy for the Corporation, as set out in Appendix "B";

**BE IT RESOLVED THAT**

- (a) The City of Hamilton, acting in its capacity as sole shareholder of the Corporation, hereby approve Dividend Policy for the Corporation, as set out in Appendix "B".

**APPROVAL OF THE HUC DIVIDEND POLICY  
RESOLUTION OF THE BOARD OF DIRECTORS  
OF  
HAMILTON UTILITIES CORPORATION  
(the “Corporation”)**

**Item 3.05 Review and approve HUC Dividend Policy**

UPON MOTION duly made, seconded and carried, IT WAS RESOLVED that the Board of Directors of Hamilton Utilities Corporation approves the HUC Dividend Policy and submits the policy to the Shareholder, the City of Hamilton, for its consideration.

## HAMILTON UTILITIES CORPORATION

### DIVIDEND POLICY

#### Preamble

The Dividend Policy of Hamilton Utilities Corporation (the “**Corporation**”) as regards to its interest in Alectra Inc. (“**Alectra**”) is predicated on the mandate of the Board of Directors (the “**Board**”) which includes maximizing Shareholder value. Such value is generally realized by the Shareholder (the “**City of Hamilton**”) through dividends or the appreciation of shareholder investment.

#### Policy

Subject to the “Criteria for the Payment of Dividends” provided in this Dividend Policy and the Shareholder Direction and Unanimous Shareholder Declaration of the Corporation (the “**Declaration**”), the payment of any dividends is at all times subject to the discretion and resolution of the Board.

#### Regular Dividends to the Shareholder

In addition to Special Dividends referred to below, the Shareholder is eligible to receive the full amount of all distributions received from Alectra including dividends on shares and securities of Alectra and distributions made under the Alectra Unanimous Shareholder Agreement (the **USA**). The Board shall deduct all expenses and required reserves to meet the obligations of the Corporation which it deems necessary to meet its mandate, the effective financial management of the Corporation and all requirements set out in the Declaration.

#### Criteria for the Payment of Dividends to Shareholder

Dividends will be paid to the extent that such would not otherwise cause:

1. Non-compliance with relevant statutes and regulations;
2. An impairment which would deteriorate the financial structure of the Corporation; or
3. Non-compliance with the financial policies of the Corporation.

#### Special Dividends

The Board may declare special dividends to the Shareholder at any time acting in its discretion.

#### Payment of Dividends

Each year, the Board will provide to the Shareholder the Alectra forecast of the annual dividends payable by Alectra for the next fiscal year. Alectra sets its

## HAMILTON UTILITIES CORPORATION

quarterly dividend installments at up to 20% of forecasted dividend payable for the coming year. Quarterly dividend installment paid by Alectra to the Corporation on June 30<sup>th</sup>, September 30<sup>th</sup>, and December 31<sup>st</sup> will be paid within 30 days of the receipt of the dividend by the Corporation. The Alectra March 31<sup>st</sup> dividend payment which includes the quarterly dividend in respect of the fourth quarter of the preceding year and any further adjustment as determined by Alectra will be paid by the Board on approval of its Annual Audited Financial Statements of the Corporation. Expenses will be deducted on the March 31<sup>st</sup> dividend instalment which will be paid within 15 business days of the date of declaration by the Board.

### **Reporting to Shareholder**

In the event that the Board either (i) does not approve a payment of a dividend; or (ii) approves a payment of a dividend that is less than set out in this policy, it will promptly report the circumstances underlying the non-payment or payment, as the case may be, to the Shareholder.