



Independent Directors Profile June 2021

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, www.hamiltonce.com and

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 recent 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 Audit and Risk Management 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).

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 and Corporate Governance Committee. Both of these Committees has 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 man-



agement, 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 meetings occur six times annually, including a strategic planning meeting. During COVID, these meetings have been virtual but the intention is to meet in person again once circumstances permit. Board members typically sit on at least one Committee. Committees meet five times per year.

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.

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 Audit and Risk Management Committee will include an Annual Retainer and meeting fees (approx. 11 meetings per year).

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, CEO, CFO, or Executive level experience;
- **CPA designation;**
- A strong entrepreneurial background that will relate to the challenges and opportunities facing the CEO of HEHCo;
- Experience as a the leader of a project development organization focused on energy and infrastructure projects similar to the type of targets that HEHCo is pursuing (including, but not limited to behind the meter generation, operations and maintenance services, telecommunications, district energy, solar, wind, etc.);
- Operations leadership experience and capital project delivery experience will be viewed positively;
- Well versed in corporate governance and best practices through related experience and on-going professional development;
- 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;
- 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; and **resident of the City of Hamilton** .
- 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
mwcosens@gmail.com

C - 416-560-7341
W- 289-239-9108

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