

Collus Power/Solutions/CPUSB
2012 Bonus
December 31, 2011

During the audit it was mentioned by the Financial Controller (Cindy Shuttleworth) that bonuses for certain staff had been approved in 2012. During subsequent payment testing it was noted that there was a significant increase in the March 22, 2012 payroll.

Reviewed the payroll records and noted that the following staff were paid one time bonuses:

- Ed Houghton - \$40,000
- Cindy Shuttleworth - \$15,000
- Pamela Hogg - \$15,000

Discussed with Ed Houghton, per Ed the Human Resources Committee of the Board of Directors met, while he was in Toronto, and approved the bonuses. The rationale was that the staff and certain members of the Board put in additional hours that were not compensated for in order to get the deal completed.

Pamela Hogg provided a memorandum signed by Joan Pajunen, Chair of the Human Resources Committee and now Acting Chair of the Board of Directors indicating the amounts approved for bonuses to the above Collus staff members.

The Board members who were paid bonuses include:

- Dean Muncaster -\$30,000 (payment voucher not signed as this was a direct deposit)
- David McFadden -\$15,000 (payment voucher signed by J. Pajunen, Acting Chair)
- Doug Garbutt -\$ 7,500 (payment voucher signed by J. Pajunen, Acting Chair)
- Joan Pajunen -\$ 7,500 (payment voucher signed by Ed Houghton)

Per Ed and Pam, the only two members of the Board not to receive bonuses are the Mayor and Council's representative.

Per discussion with Ed and Pam, the Board typically will meet in-camera to discuss HR issues and will then return to approve any required motions. There is a schedule meeting for March 23, 2012 (the day after the payment was made), however it is not expected that the HR committee will make this meeting as the Board has to determine how to proceed following the passing of the Chair, Dean Muncaster on March 13, 2012.

Conclusion: The bonuses do not relate to 2011 as they were approved in March 2012 and were a result of the signing of the sale agreement (March 6, 2012). The bonuses were approved. The total payment of \$130,000.