



November 9, 2011

Hon. Paul Bonwick, P.C.  
Compenso Communications Inc.  
186 Hurontario St., Suite 203  
Collingwood, ON L9Y 4T4

**Re: Consulting Engagement**

Dear Paul:

This letter amends and replaces our previous agreement, set out in our letter to you dated June 7, 2011. This letter sets out our agreement with respect to the Services and the Terms and Conditions upon which you, as principal of Compenso Communications Inc. (CCI), will provide services to PowerStream.

#### **Background**

As part of our corporate strategy, PowerStream is committed to pursuing growth opportunities by way of acquisitions and/or mergers, involving other Ontario Local Distribution Companies ("LDCs") within the Province of Ontario, specifically within the Geographic Footprint, approved by PowerStream's Board of Directors. Hon. Paul Bonwick ("Bonwick"), as principal of CCI, has expertise in government relations and communications that may assist PowerStream in achieving its M&A objectives. Hon. Paul Bonwick is a Registered Lobbyist.

Therefore, the Parties have agreed upon the following initial engagement:

#### **Scope of Work**

CCI and Bonwick shall:

- Identify potential opportunities for the purchase, merger or other business combinations with LDCs, primarily within PowerStream's Geographic Footprint, or outside of the Geographic, as specifically authorized by PowerStream.
- Prepare detailed briefings identifying key decision makers related to a particular opportunity.



- Assist in the preparation of any Proposals that PowerStream intends to submit.
- Provide strategic advice relating to communications.
- Assist with any other duties required as it relates to PowerStream's M&A activity.

### Methodology and Deliverables

While executing this retainer CCI and Bonwick shall undertake the following:

#### **Build the Case and Enhance Profile:**

- Provide consistent, professional, and concise information/reports outlining the history of the current situation as well as recognizing the potential short and long term impacts.
- Ensure key decision makers have clear access to relevant information to move forward in a positive manner.
- Recommend and develop appropriate positioning depending on the audience and objective.

#### **Develop a Personalized Contact Program:**

- This will ensure that PowerStream appropriately targets its messaging. The purpose will be to obtain, maintain and enhance political and bureaucratic relationships related to this file.
- Seek out internal government champions to help position and advocate for the initiative.

#### **Access Key Decision Makers:**

- Work with PowerStream, developing and implementing specific strategies for communicating your unique benefits. As PowerStream's plans progress, we as a matter of course will make every effort to maintain progressive professional profiles for our client. It is your success that is our priority.

#### **Issue Monitoring:**

- CCI is in constant contact with the Municipal Government Leaders and as such is able to monitor and report any changes or opportunities that may arise. As your early-warning system, our intelligence gathering will help prepare you to respond to any potential critical challenges brought forward regarding this approach.



#### **Tactical Recommendations:**

- Throughout this process we will provide PowerStream with an identified contact list and detailed verbal brief of tactics and recommended approaches for proceeding.

#### **Term**

The term of this Agreement shall be from September 1, 2011 until December 31, 2012, and shall be subject to extension as mutually agreed to by the Parties. This Agreement may be terminated, at any time, by either Party, by providing 60 days written notice of termination, provided that, this Agreement shall terminate on June 30, 2012 if no agreement for a transaction involving COLLUS Power has been executed.

#### **Fees**

The Parties agree that the following fee structure shall apply.

- i) CCI will be paid the sum of \$15,000.00 per month, plus applicable taxes, invoiced on a monthly basis.
- ii) In addition, CCI will be paid an administrative fee of \$2,500.00 per month to cover out-of-pocket expenses.
- iii) CCI will be paid a success fee in the sum of \$80,000.00 within 30 days after the Closing of a purchase or merger involving PowerStream or Collus/Powerstream with any LDCs.

<b>Utility</b>	<b>Number of Customers</b>
Centre Wellington Hydro	6,463
Collus Power	15,533
Innisfil Hydro	14,707
Lakefront Utilities	9,571
Lakeland Power Distribution	9,439
Midland Power	6,914
Orangeville Hydro	11,256
Parry Sound Power	3,377
Rideau St. Lawrence Distribution	5,818
Wasaga Distribution	12,046
Wellington North Power	3,613
West Coast Huron Energy	3,770
<b>TOTAL</b>	<b>102,597</b>



- iv) For the purpose of this Agreement, the term "Closing" shall mean the finalization of a transaction pursuant to an executed definitive Agreement, and the receipt or waiver of all approvals required to complete the transaction.
- v) Success fees as defined in (iii) above, will be paid to CCI for any transactions for which the Closing takes place within 6 months after the termination of this Agreement.

#### Disclosure

Bonwick agrees to make all necessary and prudent disclosures of his/CCI's engagement with PowerStream. Any such disclosures shall be discussed and authorized by PowerStream in advance. Specifically, with respect to any authorized activity on PowerStream's behalf, relating to COLLUS Power, Bonwick represents and warrants that he has disclosed the scope of his services and his retainer by PowerStream to the Mayor and Clerk of the Town of Collingwood, and shall provide written evidence of such disclosure to PowerStream. Further, with respect to COLLUS Power, CCI shall, after consulting with PowerStream, make any additional disclosure(s) that may be prudent or required by applicable law, during the course of this engagement, or any extension thereof. Further, Bonwick nor CCI, will advocate on PowerStream's behalf to the Province of Ontario, or any Ministry or Agency thereof, without PowerStream's express written direction, and further, any such authorized activity shall comply with applicable law, including the *Lobbyists Registration Act, 1998*.

#### Confidentiality

CCI and Bonwick agree to be bound by the Terms of the attached Confidentiality Agreement, attached as Schedule A to this Agreement.

Yours truly,

A handwritten signature in black ink, appearing to read "Dennis Nolan", is written over a light blue horizontal line.

Dennis Nolan, BA, LLB  
EVP Corporate Services & Secretary  
PowerStream Inc.  
905-532-4603 Direct Line  
dennis.nolan@powerstream.ca


cc: Brian Bentz  
John Glicksman



Please indicate that you are in agreement with the foregoing terms and conditions set out in this letter by executing a copy of this letter and returning it to me.

Accepted and Agreed, this 9<sup>th</sup> day of November 2011.

COMPENSO COMMUNICATIONS INC.



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Hon. Paul Bonwick, P.C.