

MINUTES OF A SPECIAL MEETING OF COUNCIL FOR THE PURPOSES OF THE SHAREHOLDERS OF WHITBY HYDRO ENERGY CORPORATION HELD ON MONDAY, JUNE 27, 2011, AT THE HOUR OF 5:30 P.M., IN COMMITTEE ROOM ONE OF THE WHITBY MUNICIPAL BUILDING

PRESENT: On behalf of the Shareholder, the Corporation of the Town of Whitby and Its Council

Mayor Perkins

Councillor Coe
Councillor Drumm
Councillor Emm
Councillor Hanson
Councillor Mitchell
Councillor Montague
Councillor Roy

Mayor Perkins in the Chair

ALSO PRESENT: R. Batten, Chair, Whitby Hydro Energy Corporation
J. Sanderson, President and Chief Executive Officer, Whitby Hydro Energy Corporation
R. Abi-Rashed, Treasurer, Whitby Hydro Energy Corporation
J. Longfield, Director, Whitby Hydro Energy Corporation
S. Pitchforth, Director, Whitby Hydro Energy Corporation
D. MacMaster, Director, Whitby Hydro Energy Corporation
B. Mount, Director, Whitby Hydro Energy Corporation
R. Webster, Director, Whitby Hydro Electric Commission
R. Petrie, Chief Administrative Officer, Town of Whitby
D. Wilcox, Town Clerk, Town of Whitby

The meeting began at 5:30 p.m.

1. DISCLOSURES OF INTEREST

There were no disclosures noted.

2. ITEM FOR CONSIDERATION

2.1 Whitby Hydro Energy Corporation Shareholders Meeting

- a) Shareholder Direction Amendment
Amendment #22
Amend 4.2 (b) – Board and Term Effective February 1, 2011

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RESOLUTION NO. 204-11

MOVED by Councillor Roy
Seconded by Councillor Drumm

WHEREAS the Corporation of the Town of Whitby (the "Shareholder") is the registered and beneficial owner of all of the issued and outstanding shares of Whitby Hydro Energy Corporation (the "Corporation");

AND WHEREAS the Shareholder executed a Shareholder Direction dated June 26th, 2000 (the "Shareholder Direction") with respect to the Corporation;

AND WHEREAS the Shareholder wishes to amend the Shareholder Direction as set forth herein;

NOW THEREFORE THIS AMENDMENT NO. 22 TO THE SHAREHOLDER DIRECTION WITNESSESS:

1. The Shareholder Direction Article 4.2 (b) is hereby amended as follows:

4.2 (b) Board and Term Effective February 1st, 2011

The Board for the Corporation shall consist of the following members elected by the Shareholder for the following terms or until a successor is elected.

- | | |
|---------------------|-------------------------|
| 1. Ross Batten | Until November 30, 2012 |
| 2. Don MacMaster | Until November 30, 2012 |
| 3. Barry Mount | Until November 30, 2011 |
| 4. Patricia Perkins | Subject to Article 4.3 |
| 5. Judi Longfield | Until November 30, 2013 |
| 6. Sue Pitchforth | Until November 30, 2013 |

2. The amendments referred to herein shall be effective as of February 1st, 2011.

CARRIED

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- b) Audited Financial Statements and Auditor's Report
Whitby Hydro Energy Corporation (Consolidated) and
Whitby Hydro Electric Corporation for the period ending
December 31, 2010

R. Abi-Rashed, Treasurer, provided a detailed overview of the Audited Financial Statements and Auditor's Report for the Whitby Hydro Energy Corporation and the Whitby Hydro Electric Corporation for the period ending December 31, 2010. She provided clarity with respect to International Financial Report Standards (IFRS) noting regulatory assets were on the balance sheet. In response to questions raised, she provided the estimated financial impact with the Corporation taking the one-year deferral.

A question and answer period ensued. P. Jesty, Deloitte & Touche, provided further information with respect to IFRS.

RESOLUTION NO. 205-11

MOVED by Councillor Coe
Seconded by Councillor Mitchell

That the Audited Financial Statements and Auditor's Report for Whitby Hydro Energy Corporation (Consolidated) and Whitby Hydro Electric Corporation for the period ending December 31, 2010 be received for information.

CARRIED

- c) Shareholders Direction Amendment
Amendment #23
Amend 6.7 – Annual Financial Statements

RESOLUTION NO. 206-11

MOVED by Councillor Drumm
Seconded by Councillor Hanson

WHEREAS the Corporation of the Town of Whitby (the "Shareholder") is the registered and beneficial owner of all of the issued and outstanding shares of Whitby Hydro Energy Corporation (the "Corporation");

AND WHEREAS the Shareholder executed a Shareholder Direction dated June 26th, 2000 (the "Shareholder Direction") with respect to the Corporation;

AND WHEREAS the Shareholder wishes to amend the Shareholder Direction as set forth herein;

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NOW THEREFORE THIS AMENDMENT NO. 23 TO THE SHAREHOLDER DIRECTION WITNESSESS:

1. The Shareholder Direction Article 6.7 is hereby amended as follows:

6.7 Annual Financial Statements

The Board will cause the Auditor to delivery, as soon as practicable and in any event within one hundred and eighty (180) days after the end of each fiscal year, the audited consolidated financial statements of the Corporation for consideration by the Shareholder.

2. The amendments referred to herein shall be effective as of June 27th, 2011.

CARRIED

d) Appointment of the Auditors

RESOLUTION NO. 207-11

MOVED by Councillor Emm
Seconded by Councillor Montague

That Deloitte & Touche be appointed as the Auditors for the Whitby Hydro Energy Corporation and the Whitby Hydro Electric Corporation for a one-year term.

CARRIED

3. CONFIRMING BY-LAW -6509-11

RESOLUTION NO. 208-11

Councillor Mitchell, seconded by Councillor Drumm, move for leave to introduce a by-law and to dispense with the reading of the by-law by the Clerk to confirm the proceedings of the Council of the Town of Whitby at its special meeting held on June 27th, 2011, and that the same be considered read a first, second and third time and finally passed and that the Mayor and the Clerk sign the same and the Seal of the Corporation be thereto affixed.

CARRIED

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4. ADJOURNMENT

RESOLUTION NO. 209-11

MOVED by Councillor Coe
Seconded by Councillor Emm

That this Special Meeting of Council be adjourned.

CARRIED

The meeting adjourned at 5:52 pm.

Debi A. Wilcox, Town Clerk

Patricia Perkins, Mayor