

# Public Input Invited on the Proposed PowerStream Merger: Final Decision Planned for October 2015

Within the next several weeks, it is anticipated that Markham's General Committee and Council will receive the recommendations of its Holding Company, Markham Enterprises Corporation (MEC), and the Staff Report on the proposed merger of PowerStream, Enersource and Horizon Utilities, and the purchase of Hydro One Brampton. The merger opportunity was first announced by the Ontario Government on April 16, 2015.

The MEC Board received its Staff Report on September 30, 2015. Once MEC's recommendation is confirmed, it will be tabled at Markham's General Committee and Council.

A special evening meeting of General Committee has been set for October 7, 2015 at 7 p.m., and a special evening meeting of Council is scheduled for October 14, 2015, at 7 p.m. to discuss the proposed merger.

The public is invited to attend General Committee and Council, and to make deputations. In advance of the meetings, available information about the merger transaction will be posted on the City's website, and in the Economist and Sun, the Thornhill Liberal, and other media.

The three PowerStream shareholders, the cities of Markham, Vaughan and Barrie (and their Holding Companies), have partnered to evaluate the proposed merger transaction. Navigant Inc. and BDR North America have been retained to provide independent

advice and financial due diligence, and Gowlings LLP has been retained to undertake legal due diligence.

The City of Markham owns 100% of MEC, which in turn, owns 34.2% of PowerStream Holdings Inc. MEC is governed by a Board of Directors, comprised of the 13 Markham Councillors.

The MEC Board has held numerous meetings in the past five months, to review details of the proposed merger and consider financial and legal advice on the potential transaction.

On September 3, 2015, an update on merger activity was posted in the City Page of the Economist and Sun and on the City's website. An earlier staff report was received at Markham's General Committee on May 26, 2015, and Council on June 15, 2015, describing the proposed transaction, including the expected timelines for approval and completion, and the negotiation and decision-making process.

Unanimous shareholder approval of the merger is required for the transaction to proceed. The transaction must also be approved by the Ontario Energy Board.

Holding companies for the cities of Vaughan and Barrie have already approved the proposed merger, and reports have been received by their respective council committees. Final Council decisions for all parties involved in the merger are expected in October 2015.