

**AMENDED AND RESTATED SHAREHOLDER DECLARATION OF
THE CORPORATION OF THE CITY OF GUELPH
REGARDING
GUELPH MUNICIPAL HOLDINGS INC.**

WHEREAS:

1. Guelph Municipal Holdings Inc. was incorporated on August 13, 2011 under the *Business Corporations Act* (Ontario) under s. 203 of the *Municipal Act, 2001* and related regulations;
2. The original Guelph Municipal Holdings Inc. amalgamated with its wholly owned subsidiary, Guelph Hydro Inc., on September 8, 2014 continuing as the amalgamated entity Guelph Municipal Holdings Inc. (GMHI);
3. The Corporation of the City of Guelph (the City) is the sole shareholder of all the issued and outstanding shares of GMHI;
4. GMHI is a shareholder of Alectra Inc. (Alectra);
5. The City issued a Shareholder Declaration regarding GMHI dated October 24, 2016 (the Original Declaration);
6. The City wishes to amend the Original Declaration on the terms of this Amended and Restated Shareholder Declaration which shall replace, in its entirety, the Original Declaration.

**NOW THEREFORE, THIS DECLARATION IS MADE BY THE CITY AS
SHAREHOLDER OF GMHI:**

Article 1 Interpretation

1.01 Definitions

In this Shareholder Declaration,

- (a) "Applicable Law" means with respect to a person, entity, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments, official directives, rules, consents, approvals, by-laws, permits, authorizations, guidelines, orders and policies of any Governmental Authority having authority over that person, property, transaction or event;
- (b) "Articles" means the Articles of Amalgamation of GMHI;
- (c) "Board" means the Board of Directors of GMHI;
- (d) "City" means The Corporation of the City of Guelph;
- (e) "Council" means the municipal council of the City, as constituted from time to time;

- (f) "Director" means a member of the Board;
- (g) "Governmental Authority" means a federal, provincial or municipal government, or any entity, person, court or other body or organization exercising one or more executive, legislative, judicial or regulatory functions;
- (h) "MFIPPA" means the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M.56, as amended from time to time;
- (i) "Municipal Act" means the *Municipal Act 2001*, S.O. 2001, c. 25, as amended from time to time;
- (j) "OBCA" means the *Business Corporations Act*, R.S.O. 1990, c. B.16 as may be amended from time to time; and,
- (k) "Officer" means an officer of GMHI;
- (l) "Shareholder Declaration" means this Amended and Restated Shareholder Declaration made and issued by the City as shareholder of GMHI on the Effective Date, as amended from time to time.

1.02 OBCA Definitions

Words and phrases used but not defined herein which are defined in the OBCA shall have the meaning provided for in the OBCA.

1.03 Authority of Applicable Law

In the event of any conflict between any approval, direction or requirement of GMHI under this Shareholder Declaration and any Applicable Law, the Applicable Law shall govern.

Article 2 OBJECTIVES AND PRINCIPLES

2.01 Purpose of this Shareholder Declaration

This Shareholder Declaration:

- (a) establishes a framework of corporate governance for GMHI and its subsidiaries;
- (b) establishes GMHI's mandate, scope of responsibility and reporting requirements;
- (c) sets out the relationship between GMHI and the City; and,
- (d) constitutes, where applicable, a declaration by the City pursuant to s.108(3) of the OBCA.

2.02 Overarching Principle

The City shall make any decisions required to be made by GMHI as a shareholder of Alectra which are not administrative in nature.

Article 3 CORPORATE GOVERNANCE

3.01 Director's and Officer's Duties

- (1) Subject to this Shareholder Declaration, the Board shall supervise the management of the business and affairs of GMHI.
- (2) The Directors may designate the offices of the corporation, appoint persons as officers, specify their duties, and delegate to them powers to manage the business and affairs of the corporation.
- (3) The Directors and Officers of GMHI have a duty to act honestly and in good faith with a view to the best interests of the corporation, and shall exercise the same degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (4) Every Director and Officer of GMHI has a duty to comply with the OBCA, the regulations, the Articles and by-laws of GMHI, and this Shareholder Declaration.
- (5) The Board shall not have the authority to make decisions, other than administrative decisions, regarding Alectra, which decisions shall be made by the City. The Board's responsibility and duty of care in relation to such decisions is assumed by the City.

Article 4 BOARD OF DIRECTORS AND OFFICERS OF GMHI

4.01 Qualifications of Directors

In addition to the requirements established under the OBCA, it is the intention of the City that the Board will be a skills-based board with the collective ability to discharge their duty of care.

4.02 Number of Directors

The Board shall consist of the number of Directors determined and appointed by the City, from time to time.

4.03 Composition of the GMHI Board

The City shall determine the composition of the GMHI Board, from time to time.

4.04 Chair of GMHI Board

The Chief Administrative Officer of the City shall be the Chair of the Board.

4.05 Term of Directors

- (1) Directors shall be appointed by a resolution of the City at a shareholder meeting for one to three year terms, as determined by the City. The City shall elect the Directors at each annual meeting where election of Directors is required.

- (2) The City may at its discretion terminate the appointment of a Director prior to the end of the Director's term and appoint a replacement.
- (3) Any Director may serve for successive terms as determined by the City, having regard to any Board policy establishing term limits.

4.06 Vacancies

- (1) A quorum of Directors may fill a vacancy among the Directors, except a vacancy resulting from an increase in the minimum or maximum number of Directors or a failure to elect the minimum number of Directors provided for in the Articles.
- (2) If there is not a quorum of Directors or if there has been a failure to elect the minimum number of Directors provided for in the Articles, the Directors then in office shall call a special meeting of the City as shareholder to fill the vacancy.

4.07 Board Committees

The Board may establish committees of the Board in the Board's discretion.

4.08 Quorum

A majority of the number of Directors or minimum number of Directors required by the Articles constitutes a quorum at any meeting the Board, and, notwithstanding any vacancy among the Directors, a quorum of Directors may exercise all the powers of the Directors.

4.09 Officers

In addition to the Chair, the corporation shall have the following officers:

- (a) Chief Executive Officer;
- (b) Chief Financial Officer;
- (c) Corporate Secretary;
- (d) General Counsel.

4.10 Director and Officer Compensation

The GMHI Board members shall not receive compensation for serving on the Board except for reimbursement of expenses incurred by them as a result of work on behalf of the Board.

4.11 GMHI Subsidiary Boards

The Board shall recommend to the City individuals to be appointed to the boards of directors of all subsidiaries of GMHI prior to any such appointment being made. If the City does not approve the recommendation, the City may direct the Board to appoint individuals, if any, it determines appropriate instead of the recommended individuals, subject to compliance with Applicable Law.

Article 5 DECISIONS OF THE CITY

5.01 Shareholder Representative

The City designates the Chair or their designate as its legal representative (the Shareholder Representative) for purposes of communicating to the Board any consent or approval required by the Shareholder Declaration or by the OBCA and receiving any notices, reports, and other communications required or provided for under this Shareholder Declaration as to be provided to the City.

5.02 City Approval

Approvals or decisions of the City required pursuant to this Shareholder Declaration or the OBCA shall require a resolution of Council and shall be communicated in writing to the GMHI Board by the Shareholder Representative.

Article 6 SHAREHOLDER MEETINGS

6.01 Closed Meetings

Shareholder meetings, in whole or in part, may only be conducted as a closed meeting of Council in compliance with the provisions of the *Municipal Act*. All directors of GMHI shall be entitled to have notice of open and closed shareholder meetings.

6.02 Annual General Meeting

GMHI shall hold an annual shareholder meeting prior to June 30 of each year. At the annual meeting, GMHI shall place before Council, the following:

- (a) Audited financial statements and notes thereto with the auditor's report for GMHI and the consolidated statements, notes and auditor's reports of any GMHI subsidiaries for the previous fiscal year;
- (b) Recommendations for any required appointment of members to the GMHI Board or any subsidiary boards;
- (c) Recommendations for the appointment of auditors for GMHI or any subsidiary;
- (d) Any other information the Board determines should be presented or that is requested by the City.

Article 7 REPORTS TO THE SHAREHOLDER

7.01 Regular Reporting

GMHI shall report to the City any significant issues which arise relating to it or any subsidiary.

Article 8 CONFIDENTIALITY

8.1 Confidentiality of GMHI Information

Except as required by Applicable Law or any Governmental Authority, and except for portions of the annual report to City Council, the City shall treat as confidential all GMHI or subsidiary information provided to it in confidence pursuant to this Article 8, subject to Applicable Laws. The parties acknowledge that information that is in the custody or under the control of the City or GMHI is subject to the access provisions of MFIPPA.

8.2 Disclosure of Confidential Information

The City acknowledges that GMHI and its subsidiaries may, from time to time, supply it in confidence with confidential information, the disclosure of which could reasonably be expected to significantly prejudice the competitive position of or interfere with contractual or other negotiations of GMHI or the relevant subsidiary or result in undue loss to GMHI or the relevant subsidiary, and the City shall protect such information in accordance with the exemption for third party information in Section 10 of MFIPPA.

8.3 Request for Information

The City shall inform GMHI or the relevant GMHI subsidiary of any request made for access to information supplied to the City by GMHI or the relevant subsidiary, permit GMHI or the relevant subsidiary an opportunity to make representations on the disclosure of such information, and consider any such representations prior to disclosing or permitting access to the information, and shall provide GMHI or the relevant subsidiary with notice of its decision concerning any such request for access to information.

Article 9 DECISIONS RESERVED TO THE SHAREHOLDER

9.01 Matters Requiring Shareholder Approval

GMHI and GMHI subsidiaries shall not, without the approval of the City:

- (a) enter into any transaction or take any other action that requires shareholder approval pursuant to the OBCA, either with regard to GMHI or to a GMHI subsidiary;
- (b) except in accordance with the by-laws of GMHI and this Shareholder Declaration, make any significant decisions regarding GMHI or its subsidiaries and shall only be authorized to make administrative decisions required in the ordinary course of managing its business;
- (c) change the auditor of GMHI or any GMHI subsidiary;
- (d) sell, transfer, assign or encumber any shares of a subsidiary;

- (e) approve a charge, encumbrance, mortgage or sale or other disposition by conveyance, transfer, lease, security interest, charge, mortgage, sale and leaseback, or other transaction of any of its assets or undertakings, except those in the ordinary course of business;
- (f) make, or approve any subsidiary to make, representations or promises of any financial incentives or similar inducements that are binding on the City; or,
- (g) approve the issue by a subsidiary of any publicly traded debt, or any debt instruments with real or implied recourse to, or guarantees from, the City or any borrowing that, in the opinion of the Chief Financial Officer / City Treasurer of the City, will have a negative impact on the City's credit rating or if the value is greater than 10% of the Total Asset book value of any subsidiary.

9.02 Alectra Unanimous Shareholder Agreement

GMHI, as shareholder of Alectra Inc., is a party to the Unanimous Shareholder Agreement of Alectra Inc. (Alectra USA), as amended or supplemented from time to time. Except as permitted in this Shareholder Declaration, any rights, decisions, consents, approvals or similar of GMHI as shareholder under the USA are to be made by resolution of the City as shareholder of GMHI. The Shareholder Representative may consent to the appointment of the auditor of Alectra.

9.03 GMHI By-laws

The Board may make, amend or repeal any of its by-laws and the changes take effect upon approval by the Board. By-laws and changes to by-laws shall be submitted to the City at the next shareholders meeting and the City may confirm, reject, or make amendments. If the City makes any amendments, the amendments take effect when approved by the City and are not retroactive.

Article 10 Revisions to the Shareholder Declaration

The City, in its sole discretion, may revise this Shareholder Declaration from time to time and may consult with the Board regarding proposed revisions as appropriate in the circumstances. The Board may propose amendments to this Shareholder Declaration for the City's consideration. No amendment of this Shareholder Declaration shall be effective except by written amendment or the amended Shareholder Declaration, as the case may be. An amendment to this Shareholder Declaration will come into effect on a date specified by the City.

ARTICLE 11 TRANSITION PROVISIONS

11.01 Effective Date

This Shareholder Declaration shall come into effect on the date approved by the City and the Shareholder Declaration made October 24, 2016, as amended, shall be terminated as of that date.

[Remainder of page intentionally left blank]

Approved by The Corporation of the City of Guelph, the 24th day of June, 2025.

**THE CORPORATION OF THE CITY OF
GUELPH**

Tara Baker, Chief Administrative Officer