

GENERAL INFORMATION
FOR
BOARD OF DIRECTORS OF NORTHERN ONTARIO ENERGY INC.

Introduction

1. **Northern Ontario Energy Inc. (NOE Inc.)** is an electrical contracting company which provides services to the area.

In 1999, Bill 35 required all Municipal Electrical Utilities to become corporations under the Ontario Business Corporation Act. As a result, the following companies amalgamated to form Northern Ontario Wires Inc.

1. The Cochrane Public Utilities Commission (Electric Department), which served the Town of Cochrane since 1921. The Cochrane PUC also provided telephone, water and sewer services.
2. The Iroquois Falls Hydro Electric Commission, which served the Town of Iroquois Falls since 1986, where it took over hydro distribution from Abitibi Price and Ontario Hydro.
3. The Kapuskasing Public Utilities Commission, which served the Town of Kapuskasing since 1952.

Furthermore, **Northern Ontario Energy Inc.** was created in order to deal with all non-regulated items as a result of incorporating the distribution company.

The Corporation of the Town of Cochrane is the single Shareholder of the Corporation and appoints Board Members, as required.

Number of Directors

2. The Corporation shall be governed by a board of directors which shall consist of a minimum of one (1) and a maximum of twelve (12) directors to be appointed by the Shareholder. The Board shall operate with three (3) directors unless a vacancy(ies) has been created at which time the Board will operate with the balance of members until such time as the Shareholder fills the vacancy(ies). At no time can the Board operate with less than two (2) directors. The directors shall serve at the pleasure of the shareholder, who may remove or appointment directors at any time, in its sole and unfettered discretion.

Board Requirements

3. At least one-third of the board of directors of the Corporation are to be independent directors from any affiliate of the Corporation (currently the Shareholder and NOW).

Qualification of Directors

4. In addition to sound judgment and personal integrity, no director may be an adjudged or discharged or undischarged bankrupt nor be in any conflict of interest with either the corporation or the shareholder at any time.

Residency

5. All members of the Board of Directors shall be residents of the Town of Cochrane. For purposes of this document, any sitting member of the Council of the Town of Cochrane and/or the Mayor of the Town of Cochrane shall be deemed to be a resident of the Town of Cochrane, regardless of their physical or ordinary residence.

Chair and Vice-Chair Positions

6. The Board may elect its own Chair who will serve at the discretion of the Board.

Term

7. The term for each member of the Board shall be as follows:
 - (a) The Mayor and Councillor(s) serving as a member of the Board shall serve for a term coincident with his or her term on Council.
 - (b) All directors shall serve at the pleasure of the Shareholder.

The term of no more than two (2) directors will end in any one (1) year on the Board of the Corporation.

If a member of the Board ceases to be a director for any reason, the Shareholder will fill the vacancy created thereby as soon as reasonably possible.

Any member of the Board may serve for successive terms as determined by the Shareholder.

Directors' Compensation

8. The compensation of the Board must be approved in advance by the Shareholder. Directors shall be compensated in the amount of Seventy Five (\$75) dollars for each Board and committee meeting attended. There shall be no annual compensation for Directors.

All board members will receive a per diem of One Hundred and Twenty Five dollars (\$125) per day to ensure board members attend approved education sessions as prescribed by the Board from time to time.

Conflict of Interest Policy

9. The directors and officers of the Corporation will strictly abide by the requirements of the OBCA and the conflict of interest rules set forth in the Bylaws of the Corporation including any requirements in respect of disclosure and abstention from voting.

Confidentiality

10. All members of the Board of Directors of the Corporation, all officers of the Corporation shall, prior to assuming their roles, enter into a Confidentiality Agreement in a form as prepared by the Corporation and approved in advance by the Shareholder. Without limiting the generality of the foregoing, the Confidentiality Agreement shall provide for:
 - (a) disclosure to a Receiving Party's employees or agents is necessary for the performance of any Receiving Party's duties and obligations under this Declaration:
 - (b) disclosure as required in the course of judicial proceedings or pursuant to law; or
 - (c) the confidential information becoming part of the public domain (other than through unauthorized disclosure by the Receiving Party)

Quorum

11. A quorum for meeting of the Board shall be a majority of the members of the Board. A meeting shall be adjourned for lack of a quorum and a notice of the adjourned meeting shall be sent in writing to all directors rescheduling the meeting to a date at least seven (7) days following the adjourned meeting.

Meetings of the Board

12. Meetings of the Board shall be held at least once in every calendar year or at the request of the Chair or of a majority of the members of the Board. Meetings of the Board may be held by such telephone or electronic communication devices as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. At least five (5) days advance written notice of the time and place of the meeting and of the business to be transacted at the meeting in sufficient detail to enable each director to assess reasonably the importance of such business to the affairs of the Corporation shall be given to each director.

Decisions of the Directors

13. Decisions or resolutions of the Board shall require the approval of the majority of the directors present at each meeting thereof. The Chair shall not have a second or casting vote. A resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of the Board is as valid as if it had been passed at a meeting of the Board.

Board Duties

14. Subject to those matters requiring Shareholder approval, the Board shall supervise the management of the business and affairs of the Corporation.