

**DRAFT MINUTES OF A MEETING OF THE AUDIT & FINANCE COMMITTEE OF  
POWERSTREAM INC.**

**HELD AT 161 CITYVIEW BOULEVARD, VAUGHAN, ONTARIO  
ON WEDNESDAY, OCTOBER 19, 2011**

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Directors Present: Gino Rosati, Director and Chair of the Committee  
Dan Horchik, Vice Chair of the Committee  
Maurizio Bevilacqua, Director and Vice Chair of the Board  
Jeff Lehman, Director

Committee Officers Present: John Glicksman, EVP & Chief Financial Officer  
Brian Bentz, President and CEO

Other Attendees: Carolyn Young, Director Enterprise Risk & Internal Audit  
Daniel Miller, Manager, Strategic Support & Planning  
John McNeil, Principal, BDR Energy  
Victoria Scoffield, Executive Assistant

Regrets: Frank Scarpitti, Director & Chair of the Board  
Colin Macdonald, VP Rates & Regulatory Affairs

1. **CONFIRMATION OF AGENDA AND DISCLOSURE OF INTEREST**

The meeting commenced with the Chair welcoming the group and reviewing the agenda.

The EVP & Chief Financial Officer introduced John McNeil of BDR and Daniel Miller, Manager, Strategic Support & Planning.

The meeting agenda was approved and no disclosure of interest was identified.

2. **COLLUS POWER CORPORATION – RFP UPDATE AND TERM SHEET ASSUMPTIONS**

The EVP & Chief Financial Officer and President & CEO led the Audit & Finance Committee through a confidential presentation and update on the Collus RFP and Term Sheet Assumptions after which an open discussion ensued and the following points were raised.

Mayor Bevilacqua wanted to clarify what PowerStream is looking for is agreement in principal to proceed to make an offer for 50% of Collus Power.

The Chair asked for an outline of the synergies PowerStream can provide, i.e. regulatory support, call centre etc.

The President & CEO emphasized that this transaction cannot be looked at in a two year timeframe and that this is part of a long term strategic plan to grow PowerStream with further mergers.

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The Vice-Chair suggested the proposed structure needed to be discussed in greater detail with respect to the RFP.

The Vice-Chair questioned the population growth rate at 2% and Mayor Lehman confirmed and advised that the numbers are conservative.

ACTION: Slides to be updated for the Board. Motion to endorse the staff recommended structure with the inclusion of the alternative structure with co-chairs.

It was moved and carried that the Audit & Finance Committee accept for information the confidential presentation and update on the Collus RFP and Term Sheet Assumptions and agree that Management should take it forward with suggested changes to the October 24, 2011 Board meeting to be received for information review and approval.

3. **APPROVAL OF ENGAGEMENT OF EXTERNAL CONSULTANTS FOR COLLUS RFP**

The EVP & Chief Financial Officer led the Committee through the recommendation.

The payment schedule was discussed and it was agreed to revise the success fee and termination clause.

It was moved and carried that the Audit & Finance Committee approve the recommendation to engage Compenso on a longer term basis and that the recommendation (with suggested changes to the contract) be brought forward to the Board for approval at the October 24, 2011 meeting.

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9. ADJOURNMENT

There being no other business, the meeting was adjourned.

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John Glicksman, EVP & CHIEF FINANCIAL OFFICER