

JB
5/31/11

John Glicksman

From: John Glicksman
Sent: Monday, April 25, 2011 7:02 PM
To: Brian Bentz
Cc: Sandra DiPonio; John Glicksman
Subject: Confidential: Terms for Discussion with Paul Bonwick

Attachments: Memo Compenso-Powerstream (3).doc; footprint.doc



Memo
en-so-Powerstream



footprint.doc (19
KB)

Brian,

Sandra passed me on a soft copy of the letter from Paul Bonwick. Unfortunately it does not get into details regarding fees, etc.

I would suggest we forward or discuss with him the attached "terms of the deal" before signing a document similar to what we've signed in the past with [REDACTED] etc. If you're generally OK with this draft I can also pass it onto Dennis and Mark for their preview prior to you discussing it with Paul

I hope you had a good Easter weekend with your family and we can discuss this further at your convenience, thanks for your support,
John

-----Original Message-----

From: Sandra DiPonio
Sent: Thu 4/21/2011 1:37 PM
To: John Glicksman
Subject: Memo Compenso-Powerstream (3)

Hello John, memo attached as requested...
/s

- 1) FEES. 10K
- 2) TIMING OF PMT 100k
- 3) DUTIES OF PARTIES.
- 4) TERMINATION 90^{PM}/1YR.
- 5) LETTER - TO SISTER/more
FOR CONDITION.

DRAFT

Key Points For Discussion

Scope of work for PowerStream: Over an initial three month period Paul Bonwick will provide strategic support to PowerStream and perform the following functions:

- . Gathering, analysis and utilization for strategy and tactical plan development purposes of intelligence relating to: (a) each target utility's shareholder, board and management and (b) the public affairs/stakeholder dimensions of pursuing each M&A target that is agreed upon with PowerStream.
- . Provide assistance as requested in the execution of public affairs related tasks (eg. stakeholder or issues management, strategic communications, or government relations) associated with the pursuit of each M&A target.

The initial term of the engagement will be for a period 3 months after which one or both parties can agree to terminate the relationship by providing thirty (30) days notice or the relationship will be extended for a period a one year in total during which either party can provide sixty (60) days notice to terminate the agreement.

Mr. Bonwick will provide all of the proposed scope of services described above focused on the LDC's for a monthly retainer of \$8000 plus GST. Should the relationship continue past the initial three month trial period Mr. Bonwick shall be eligible for a success fee payable as follows:

- 1) an initial payment of 1/3 of the total fee payable, will be payable by PowerStream upon execution of the M&A transaction agreement by all shareholders party to an M&A transaction involving PowerStream
- 2) a final payment, representing the remaining 2/3 of the total fee payable, will be payable by PowerStream upon approval by the OEB of the MAADS application seeking approval of the M&A transaction referenced in the M&A transaction agreement.

The Success/ Total fee payable shall be a flat fee of \$80,000 for utilities of 45,000 or less

Compenso Communications Inc.

GOVERNMENT RELATIONS & COMMUNICATIONS

"Bringing People Together"

Memo

Date: April 20, 2011
To: Brian Bentz, President & CEO
From: Paul Bonwick
RE: Compenso Communications Engagement

CONFIDENTIAL: THIS BRIEFING CONTAINS COMMERCIALY SENSITIVE INFORMATION AND MUST BE TREATED ACCORDINGLY.

Brian:

I wanted to put some thoughts to paper for your consideration and that of your Audit Committee.

First of all, I want to once again thank you for providing the opportunity to discuss our potential relationship with your Audit Committee. I was extremely pleased and humbled that your Committee added value in establishing a relationship between Compenso Communications Inc. and Powerstream. It should go without saying that I would be very proud to have an affiliation with your company. There is no doubt in my mind that the future will present some very exciting opportunities for both our companies.

On the matter related specifically to optics concerning Collus and the Town of Collingwood I would like to share my thoughts and recommendations. The position the Audit Committee has taken on this matter clearly reflects the reputation Powerstream has earned since its inception. Transparency, integrity and unreserved commitment to the shareholders and the reputation of Powerstream continue to be their number one priority.

It is in keeping with this direction I would recommend the following actions. Subject to the approval of the terms and conditions in an agreement between Powerstream and Compenso, I would propose we agree to create an approach in addressing the perceived issue of optics. If the RFP scenario unfolds I would propose we request a meeting with the following people in attendance: Ed Houghton, President and CEO Collus; Dean Muncaster, Chairman of the Board of Collus; Kim Wingrove, CAO Town of Collingwood; Mayor Sandra Cooper; Deputy Mayor Rick Lloyd, Budget Chair; and Sara Almas, Clerk. The sole purpose of this meeting is to provide full disclosure to the officials of Collus and the Town of Collingwood related to my business activities and relationship with Powerstream and to seek their input as it relates directly to my engagement. I'm confident that if we take this approach the Audit Committee should have the reassurance that they require to be able to move forward in a positive and progressive manner.

In reality, if Compenso is engaged in any manner with Powerstream, the concern of optics still exists unless we move to full disclosure as previously identified. I do not believe that the Audit Committee's concern would be alleviated if I was engaged by Powerstream to provide ongoing services in other areas while not actively participating on the Collus file.

I must reiterate and once again emphasize the importance of Powerstream securing an arrangement with Collus should the Municipality decide to move forward with an RFP. As a recognized leader in the south central Ontario LDC Market and more specifically the C.H.E.C. Group, the Collus acquisition will provide the staging ground to approach several other smaller rural LDCs.

I fully appreciate your busy schedule and recognize the time and energy that you are giving to ensure that we establish a positive relationship whereby all parties are fully engaged and supportive. For this I am deeply indebted.

It is this same approach that we will take to secure Powerstream's success!

Kind Regards,

Paul

DRAFT

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*pre-credit
letter to the mayor prior to execution*