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TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON MAY 5, 2014
FROM:	ART ZUIDEMA CITY MANAGER
SUBJECT:	LONDON HYDRO INC. 2013 ANNUAL MEETING OF THE SHAREHOLDER ANNUAL RESOLUTIONS

RECOMMENDATION

That, on the recommendation of the City Manager, the attached by-law (Attachment "A") BE INTRODUCED at the Municipal Council meeting to be held May 20, 2014 to:

- a) ratify and confirm the Annual Resolutions of the Shareholder of London Hydro Inc. attached as Schedule "1" to the by-law; and
- b) authorize the Mayor and the City Clerk to execute the Annual Resolutions of the Shareholder of London Hydro Inc. attached as Schedule "1" to the by-law.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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May 13, 2013 – Strategic Priorities and Policy Committee – Agenda Item # 3
 April 16, 2013 – Strategic Priorities and Policy Committee – Agenda Item #5

BACKGROUND

At its meeting held April 15, 2014, Municipal Council resolved:

That the following actions be taken with respect to the 2013 Annual General Meeting of the Shareholder for London Hydro Inc.:

- a) the 2013 Annual General Meeting of the Shareholder for London Hydro Inc. BE HELD at a meeting of the Strategic Priorities and Policy Committee on May 5, 2014, for the purpose of receiving the report from the Board of London Hydro Inc. in accordance with the Shareholder Declaration and the Business Corporations Act, R.S.O. 1990, c. B.16; and,
- b) the City Clerk BE DIRECTED to provide notice of the 2013 Annual Meeting to the Board of Directors for London Hydro Inc., and to invite the Chair of the Board and Chief Executive Officer of London Hydro Inc. to attend at the Annual Meeting and present the report of the Board in accordance with Article 7.1 of the Shareholder Declaration;

it being noted that the Strategic Priorities and Policy Committee received a communication dated March 26, 2014, from P. C. Johnson, Chair, London Hydro Inc., with respect to this matter.

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2013 Annual General Meeting

London Hydro Inc. is a corporation with share capital incorporated under the *Business Corporations Act*, R.S.O. 1990 c. B.16. London Hydro Inc. is managed by a Board of Directors appointed by The Corporation of the City of London as the sole shareholder.

At its meeting held October 1, 2007, Municipal Council approved a Shareholder Declaration which sets out the procedures for the operation and governance of London Hydro. Pursuant to the Shareholder Declaration and the *Business Corporations Act*, the shareholder is required to hold an annual meeting to elect the directors of the Corporation to fill any vacancy, to receive the audited financial statements of the Corporation for the last fiscal year and to receive the report of the auditor to the shareholder, if any. The Board of London Hydro Inc. is required to place before the shareholder the audited financial statements of the Corporation and the report of the auditor, if any, and is required to report to the shareholder on matters to be addressed at the annual meeting.

The attached Annual Resolutions of the Shareholder of London Hydro Inc. addresses the following matters that are required to be dealt with at an Annual Meeting as required by the Shareholder’s Declaration and the *Business Corporations Act*:

- a) receipt of the 2013 audited financial statements;
- b) election of the directors;
- c) appointment of auditors.

The attached Annual Resolution will re-appoint Mr. Johnson and Ms. Graham to the close of the annual meeting of shareholders to be held in 2017 for the financial year ending December 31, 2016. The Shareholder Declaration does not limit the number of terms that a Director may serve.

PREPARED BY:	RECOMMENDED BY:
CATHY SAUNDERS CITY CLERK	ART ZUIDEMA CITY MANAGER

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ATTACHMENT "A"

Bill No.
2014

By-law No. A.-

A by-law to ratify and confirm the Annual Resolutions of the Shareholder of London Hydro Inc.

WHEREAS London Hydro Inc. is a corporation incorporated under the *Business Corporations Act* R.S.O. 1990, c.B.16;

AND WHEREAS subsection 104(1)(b) of the *Business Corporations Act* provides that a resolution in writing dealing with all matters required by this Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of this Act relating to that meeting of shareholders;

AND WHEREAS The Corporation of the City of London is the sole shareholder of London Hydro Inc.;

AND WHEREAS Subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

AND WHEREAS Subsection 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Annual Resolutions of the Shareholder of London Hydro Inc. for the fiscal year ended December 31, 2013, attached as Schedule "1" are ratified and confirmed.
2. The Mayor and the City Clerk are authorized to execute the Annual Resolutions of the Shareholder ratified and confirmed under section 1 of this by-law.
3. This by-law comes into force on the day it is passed.

PASSED in Open Council on the 20th day of May, 2014.

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First reading - May 20, 2014
Second reading - May 20, 2014
Third reading - May 20, 2014

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SCHEDULE "1"

**LONDON HYDRO INC.
(the "Corporation")**

WHEREAS subsection 104(1)(b) of the *Business Corporations Act* (Ontario) (the "Act") provides that a resolution in writing dealing with all matters required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders or their attorney authorized in writing entitled to vote at the meeting, satisfies all the requirements of the Act relating to that meeting of shareholders;

The following resolutions, signed by the sole shareholder of the Corporation entitled to vote thereon, are hereby passed pursuant to the provisions of the Act:

FINANCIAL STATEMENTS

It is hereby acknowledged that the balance sheet of the Corporation as at December 31, 2013, and the other audited financial statements, together with Auditors' Report, of the Corporation for the financial year ended on such date have been received by the undersigned shareholder of the Corporation.

ELECTION OF DIRECTORS

WHEREAS pursuant to an Amended and Restated Shareholder Declaration, as amended (the "**Amended and Restated Shareholders Declaration**") the board of directors of the Corporation shall consist of seven directors, six of which shall be composed of various classes of directors, each serving for a three-year term, and the seventh member of the fourth class shall serve for a four-year term, coinciding with the term of the municipal council of The Corporation of the City of London;

AND WHEREAS the terms of the directors that are members of the second class expire at the annual meeting of shareholders held in 2014 pursuant to paragraph 4.4 of the Amended and Restated Shareholder Declaration;

NOW THEREFORE BE IT RESOLVED THAT:

1. Each of the following persons, being directors that are members of the second class pursuant to paragraph 4.4 of the Amended and Restated Shareholder Declaration, is hereby **elected** as a director of the Corporation to hold office for a term with the expiry as set out below, provided that when a successor is not duly elected at the close of the annual meeting described below, such director shall hold office until his or her successor is elected:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
Second	Peter Johnson	the close of the annual meeting of shareholders to be held in 2017 for the financial year ending December 31, 2016
Second	Connie Graham	the close of the annual meeting of shareholders to be held in 2017 for the financial year ending December 31, 2016

CONFIRMATION OF CONTINUING TERMS

2. Each of the following persons, being directors that are members of the first, third and fourth class, as provided for below, pursuant to paragraph 4.4 of the Amended and Restated Shareholder Declaration, are hereby confirmed as having a term continuing until the expiry as set out below, provided that when a successor is not duly elected at the close of the annual meeting described below, such director shall hold office until his or her successor is elected:

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<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
Fourth	Joe Fontana	December 31, 2014
Third	Radhey Mohan Mathur	the close of the annual meeting of shareholders to be held in 2015 for the financial year ending December 31, 2014
Third	Marilyn Sinclair	the close of the annual meeting of shareholders to be held in 2015 for the financial year ending December 31, 2014
First	Bernard G. Borschke	the close of the annual meeting of shareholders to be held in 2016 for the financial year ending December 31, 2015
First	Gabriel Valente	the close of the annual meeting of shareholders to be held in 2016 for the financial year ending December 31, 2015

APPOINTMENT OF AUDITORS

RESOLVED THAT:

KPMG LLP are hereby appointed auditors of the Corporation to hold office until the close of the next annual meeting of the shareholders or until a successor is appointed by the shareholder at such remuneration as may be fixed by the directors and the directors are hereby authorized to fix such remuneration.

DATED this _____ day of _____, 2014.

The Corporation of the City of London

By: _____
 Name: Joe Fontana
 Title: Mayor

By: _____
 Name: Catharine Saunders
 Title: City Clerk