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TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON MAY 29, 2017
FROM:	MARTIN HAYWARD CITY MANAGER
SUBJECT:	LONDON HYDRO INC. 2016 ANNUAL MEETING OF THE SHAREHOLDER ANNUAL RESOLUTIONS

RECOMMENDATION

That, on the recommendation of the City Manager, the attached by-law (Appendix “A”) BE INTRODUCED at the Municipal Council meeting to be held May 30, 2017 to:

- a) ratify and confirm the Annual Resolutions of the Shareholder of London Hydro Inc. attached as Schedule “A” 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 “A” to the by-law.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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June 9, 2015 – Strategic Priorities and Policy Committee – Agenda Item #4
 February 29, 2016 – Strategic Priorities and Policy Committee – Agenda Item #5
 May 16, 2016 – Strategic Priorities and Policy Committee – Agenda Item #3

BACKGROUND

At its meeting held May 16, 2017, Municipal Council resolved:

“That the following actions be taken with respect to the 2016 Annual General Meeting of the Shareholder for London Hydro Inc.:

- a) the 2016 Annual General Meeting of the Shareholder for London Hydro Inc. BE HELD at a meeting of the Strategic Priorities and Policy Committee on May 29, 2017, for the purpose of receiving the report from the Board of Directors 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 2016 Annual Meeting to the Board of Directors for London Hydro Inc. and to invite the Chair of the Board and the Chief Executive Officer of London Hydro Inc. to attend at the Annual Meeting and present the report of the Board in accordance with the Shareholder Declaration;

it being noted that the Strategic Priorities and Policy Committee received a communication dated March 31, 2017, from M. Mathur, Chair, Board of Directors, with respect to this matter.”

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2016 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.

The attached (Schedule “A”) 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 2016 audited financial statements; and,
- b) election of the directors.

The election of two (2) Second Class Directors is required. We understand that London Hydro is recommending that Ms. Connie Graham be elected to an additional term as one of the two (2) Second Class Directors. We understand that Mr. Johnston has indicated that he will not be seeking re-election. Consideration of the second of the two (2) Second Class Directors to be elected will be brought forward to a future meeting of the Strategic Priorities and Policy Committee for consideration. In the meantime, Mr. Johnston remains as Second Class Director until Municipal Council has elected an individual to the position.

The Shareholder Declaration does not limit the number of terms that a Director may serve.

PREPARED BY:	RECOMMENDED BY:
CATHY SAUNDERS CITY CLERK	MARTIN HAYWARD CITY MANAGER

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APPENDIX "A"

Bill No.
2017

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 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;

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

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, 2016, attached as Schedule "A" are ratified and confirmed.
2. The Mayor and 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 day of , 20 .

Matt Brown
Mayor

Catharine Saunders
City Clerk

First reading -
Second reading –
Third reading -

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SCHEDULE "A"

**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, 2016, 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 a Shareholder Declaration dated June 6, 2016 (the "**Shareholder 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 as the representative 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 2017 pursuant to paragraph 4.4 of the 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 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	Connie Graham	the close of the annual meeting of shareholders to be held in 2020 for the financial year ending December 31, 2019

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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 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:

<u>Class</u>	<u>Name of Director</u>	<u>Term</u>
First	Gabriel Valente	the close of the annual meeting of shareholders to be held in 2019 for the financial year ending December 31, 2018
First	Jack Smit	the close of the annual meeting of shareholders to be held in 2019 for the financial year ending December 31, 2018
Third	Radhey Mohan Mathur	the close of the annual meeting of shareholders to be held in 2018 for the financial year ending December 31, 2017
Third	Marilyn Sinclair	the close of the annual meeting of shareholders to be held in 2018 for the financial year ending December 31, 2017
Fourth	Michael van Holst	the close of the annual meeting of shareholders to be held in 2018 for the financial year ending December 31, 2017 or for so long as he remains a duly elected member of the London City Council, whichever is the earlier

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 _____, 2017.

The Corporation of the City of London

By: _____
 Name: Matt Brown
 Title: Mayor

By: _____
 Name: Catharine Saunders
 Title: City Clerk