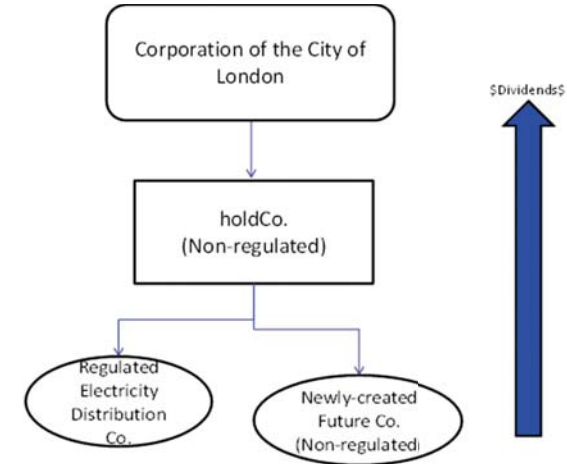


# DIRECTION TO WORK WITH CIVIC ADMINISTRATION TO RESTRUCTURE LONDON HYDRO INC.

August 26, 2019



## Proposed New Corporate Structure



- Notes
- All corporations are subject to PILs
  - Regulated LDC subject to Affiliate Relationships Code
  - Section 142 of Electricity Act requires new company to be created for purpose of generating, distributing, transmitting or retailing electricity

## Current London Hydro Corporate Structure

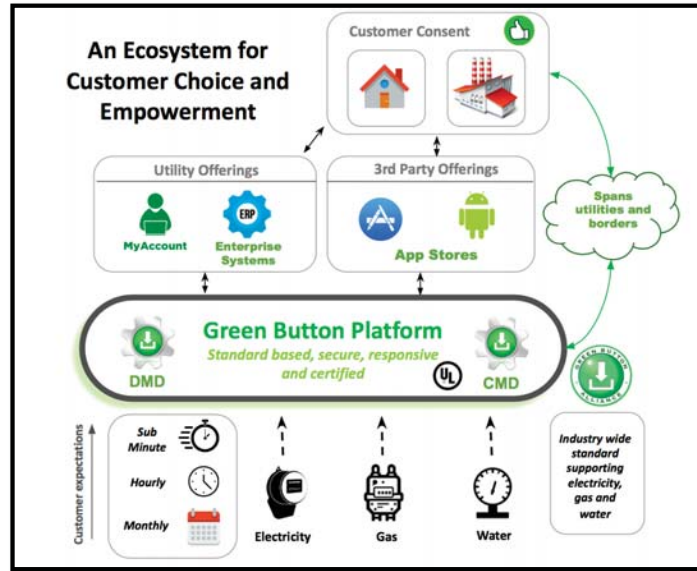


- Private
- For-Profit
- Taxable Corporation
- Shares issued to the City of London (but not a local Board or Commission)

London Hydro is strategically focused on technology and has developed a unique set of systems and applications for energy management

London Hydro proposes to market these unique technologies through a non-regulated entity

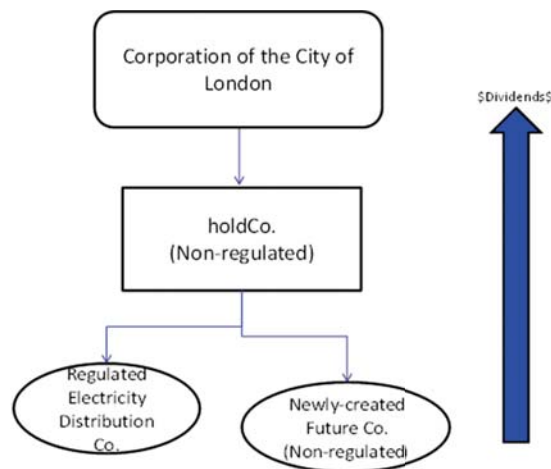
## London Hydro's Unique Technology Platform



## London Hydro's Unique Technologies Provide Solutions to Utilities and Energy Consumers



## The New Corporate Structure Will Allow London Hydro to Market These Technologies



**Notes**

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## Recommendations

Authorize London Hydro Inc. (LHI) and Civic Administration to prepare the necessary reports including Shareholder Resolutions and the necessary By-laws to affect the LHI corporate restructuring, including the following:

**Enact By-laws to:**

1. Authorize LHI to create the necessary corporation;
2. Authorize LHI to transfer to assets and employees as needed;
3. Approve appointment by LHI of a Board of Directors for the Holding Company; and,
4. Create a shareholder declaration for the new subsidiary setting out governance principles and shareholder requirements.

**Amend LHI's Shareholder Declaration**

Following the approval of various actions noted above, the Civic Administration together with LHI will be authorized to proceed to undertake the following:

1. Incorporation of the new corporations;
2. Application to the OEB for a transfer of distribution licence;
3. Amend Shareholder Declaration between the City and the Holding Company; and,
4. New Shareholder Declaration between the Holding Company and the regulated subsidiary.