MEMORANDUM

To: All Employees

From: Michael Angemeer

Date: March 1, 2017

c: E. Lucci, IBEW 636, Business Representative
T. Pitts, IBEW Local 636, Chair

Re: Proposed Merger Update

To all valued employees:

As part of our commitment to keep you informed of any new developments related to the proposed merger of Veridian Corporation ("Veridian"), Oshawa Power and Utilities Corporation ("Oshawa PUC") and Whitby Hydro Energy Corporation ("Whitby Hydro"), we would like to take this opportunity to provide a status update on proceedings. Keeping you informed and collecting your feedback is a key piece of our communications objectives.

As you know, over the past 12 months we have committed to a full 360 degree evaluation process to identify the potential benefits of a merger. These evaluations have taken into account the impact to employees, service levels to customers and the strength of the business case amongst many other critical variables. The stars must align for all parties. If for whatever reason that is not possible, one of the parties involved may choose to withdraw. This is not an uncommon event in merger evaluations.

As a result of ongoing evaluation Oshawa PUC has amicably withdrawn from merger discussions. Both Veridian and Whitby Hydro will be moving forward and are committed to ongoing evaluations. We both stand behind the potential merits of the merger including its ability to deliver greater value to customers and all shareholders through innovation, efficiency and collaboration.

At the outset of this process, a set of core principles were established to ensure that our employees and our customers came first and that delivering service in a safe and reliable manner was never compromised. This remains unchanged. We look forward to next steps and to ongoing consultation with each of you.

To stay up-to-date, our microsite continues to act as a resource for you and the public at large to obtain the latest information, and an important vehicle to provide feedback. Should you submit a question, we commit to answer it as quickly as possible.

I would like to extend my appreciation for everyone's strong ongoing commitment to Veridian's business operations while we go through this merger review process. As always, I am available to answer any questions or concerns you may have, as are the members of your Executive Team.

Thank you.