VERIDIAN CORPORATION

MEMORANDUM

To: All Employees

From: Michael Angemeer

Date: May 31, 2017

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

Re: Proposed Merger Update

To all valued employees:

I'm pleased to provide you with a status update on the merger discussions between Veridian Corporation and Whitby Hydro Energy Corporation ("Whitby Hydro").

First, I apologize for the amount of time that has passed since my last update on March 1st. At that time I informed you that Oshawa Power and Utilities Corporation had amicably withdrawn from our tri-party merger discussions, and that we were continuing a dialogue with Whitby Hydro.

Over the past few months discussions between the two remaining potential merger partners have focussed on corporate governance matters. Our respective boards have wisely decided to address these matters first, as experience has shown that shareholder approval of a merger plan can often hinge on governance. We have had ongoing and fruitful dialogue on a range of governance issues including board structure and composition, and key provisions of a new shareholders' agreement.

Both parties continue to be very committed to the merger evaluation process, and we are optimistic that we will soon move beyond governance discussions and turn our attention to the development of an updated business plan. Once we reach this stage we expect to make quick progress, as we will be able to leverage prior work done by the original three partners. However, as municipal councils do not regularly meet during the summer, we now expect that shareholder council presentations on a potential merger will take place during the fall of 2017.

I want to thank you again for your continued commitment to our ongoing business operations as we explore this potential merger. We have achieved some impressive performance milestones over the past year, and I'm very appreciative of each of your individual contributions.

Please do not hesitate to contact me if you have any questions on this matter.

Thank you

M. C. Angemeer

Michael Angemeer