VERIDIAN CORPORATION

MEMORANDUM

To: All Employees

From: Michael Angemeer

Date: October 20, 2017

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

Re: Potential Merger Update

To our valued employees:

It's hard to believe that it's been one month since my last merger update. Time has passed quickly with the increased pace of activity as we close in on the finish line. However, despite the best efforts of both potential merger partners, we've seen some slippage in our work plan.

What hasn't changed is the intent to deliver a merger recommendation to the Veridian and Whitby Hydro corporate boards before the end of this year. This is currently scheduled to occur late in November. There is a significant amount of work underway to finalize a large volume on legal documentation for these meetings.

What has changed is the likely timing of a recommendation to our municipal shareholders. While this step is of course subject to the approval of our board of directors, it is now expected that it will occur no earlier than January of 2018. We had previously hoped to have recommendations to our municipal shareholders by the end of this year, but a combination of workload and busy council agendas now seem to preclude this.

Your leadership team continues to be committed to this merger review process and is optimistic that a compelling recommendation will be delivered to our board and our shareholders. We again thank you for your patience and your continued focus on our core business operations as we finalize our work.

Finally, you may have heard this week's announcement that Alectra and Guelph Hydro have commenced merger negotiations. This is further evidence that consolidation in our sector is likely to continue. It also reinforces your leadership team's view that our proposed merger will offer increases in scale and scope that will help ensure our ongoing success, to the benefit of employees, shareholders and customers.

As always, I am happy to address any questions you may have.

I hope you are enjoying the beautiful fall weather!

Sincerely,

M. C. Angemeer

Michael Angemeer