

AMENDMENT TO
THE AMENDED AND RESTATED
SHAREHOLDER DIRECTION
RELATING TO
TORONTO HYDRO CORPORATION

WHEREAS the City of Toronto has issued an Amended and Restated Shareholder Direction Relating to Toronto Hydro Corporation dated July 1, 1999 as amended and restated as of October 3, 2002, as further amended as of October 1, 2004, as further amended and restated as of June 27, 2006; as further amended and restated as of October 23, 2007; and as further amended and restated as of May 7, 8, 9 and 10, 2013;

AND WHEREAS pursuant to section 11.1 thereof the Shareholder Direction may be amended solely at the discretion of the Shareholder;

AND WHEREAS at its meeting of May 24, 25 and 26, 2017 City of Toronto Council authorized the within amendment to the dividend policy contained in the Shareholder Direction;

NOW THEREFORE THE SHAREHOLDER DIRECTION IS HEREBY AMENDED AND WITNESSES AS FOLLOWS:

1. Amendment to Dividend Policy

Effective as of the date hereof, section 10.4 shall be deleted and replaced by the following:

10.4 Dividend Policy

Subject to any restrictions imposed by *Law* and this *Shareholder Direction*, the *Board* of the *Corporation* shall declare the following dividends:

- a) in calendar year 2017, an aggregate amount of \$75 million, consisting of:
 - i) equal quarterly instalments of \$6.25 million payable by the *Corporation* on March 31, 2017, June 30, 2017 and
 - ii) the remainder of the dividend payable in a single instalment within ten (10) days of full receipt by the *Corporation* of a \$250 million equity subscription from the *Shareholder*, as approved by City Council at its meeting of December 13, 14, 15, 2016, Item EX 25.8.
- b) Commencing in 2018, and continuing for subsequent fiscal years, 60% of the *Corporation's* immediately previous fiscal year's annual *Consolidated Net Income*, to be declared quarterly, and payable to the *Shareholder* in four (4) equal instalments on the last business day of each fiscal quarter of the *Corporation*.

Where "*Consolidated Net Income*" means the Corporation's consolidated net income after net movements in regulatory balances set forth in the applicable *Financial Statements* determined in accordance with the accounting policies and procedures adopted and used by the Corporation from time to time.

DATED at Toronto as of this 28th day of June, 2017.

CITY OF TORONTO



Roberto Rossini
Deputy City Manager & Chief Financial Officer



Ulli Watkiss
City Clerk

Marlyn M. Toft
for Ulli S. Watkiss
City Clerk

Authorized by Executive Committee Item
EX25.8 as amended and adopted by City of
Toronto Council at its Meeting on May 24, 25
and 26, 2017.



City Clerk

Marlyn M. Toft
for Ulli S. Watkiss
City Clerk

APPROVED AS TO FORM



For Wendy Walberg, City Solicitor

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