

# Summary of Proposed Changes to the USA

Based on the feedback from shareholders at the Rideau St. Lawrence AGMs, to continue growing both the regulated LDC business and non-regulated affiliated businesses, the board of directors and the executive team have been reviewing the Unanimous Shareholder Agreement. RSL collaborated with shareholder representation (CAOs of the municipal shareholders and Senior Legal Counsel of FortisOntario) to incorporate shareholder input. Below is a summary of the proposed changes to the USA:

1. **Updating Legal Names of Parties.** Certain of the parties have changed their legal name since the USA was first created. We have taken the opportunity to update those names.
2. **RSL Distribution Governance Issues.** The existing version of the USA contained certain governance requirements specific to RSL Distribution (in particular ARC requirements). In certain areas it was not clear which entity was being referred to. These Distribution requirements have been carved out and put into Schedule A. These regulatory requirements are important to highlight in the USA but having them separated should leave less ambiguity in the body of the USA.
3. **Permitted Business Activities.** We are proposing an update to make more current the definition of permitted activities for the Corporation and subsidiaries. This definition has been moved out of the body of the USA into a separate schedule (Schedule B) so that it can be more easily reviewed and updated in the future. The change in language creates more flexibility to cover off ancillary activities of the current operations but is balanced by section 4 of the USA which identifies decisions requiring specific shareholder approval.

Related to this, we are proposing granting the directors ability to acquire shares, securities or interest in another business provided such acquisition is for a business which falls within the permitted activities, as long as the cost of acquisition is less than fifteen percent (15%) of the owners' total equity.

4. **General Update to Certain More Standard Provisions.** We have updated certain non-substantive provisions to make them current and applicable (notice provisions, auditor, books and records).
5. **Formatting/Clean-up.** Lastly, in doing the updates we also did some basic clean-up to formatting, fixed some typos and removed a few provisions which are no longer applicable.