

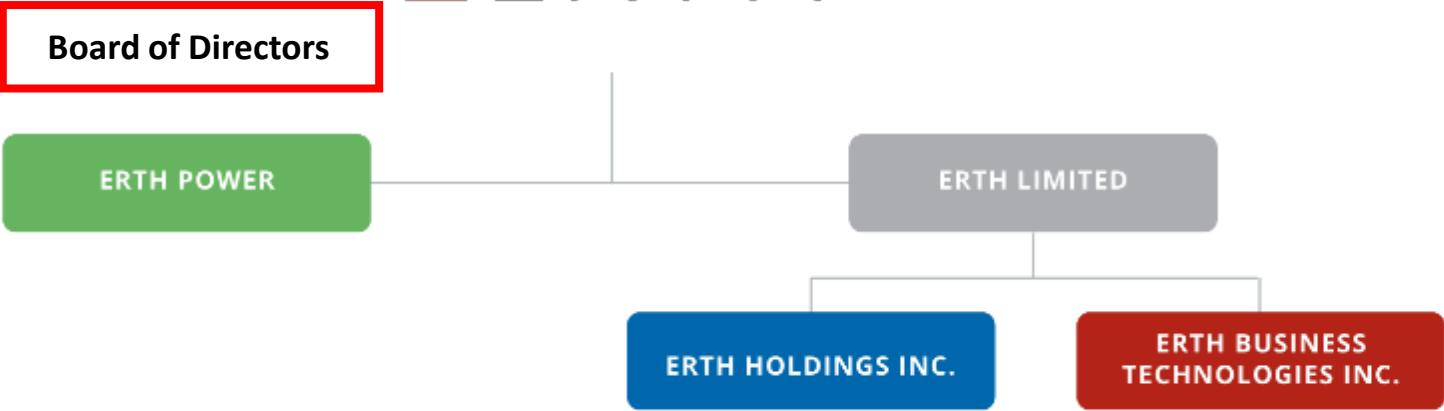


# Corporate Structure

## ERTH Corporation



Board of Directors



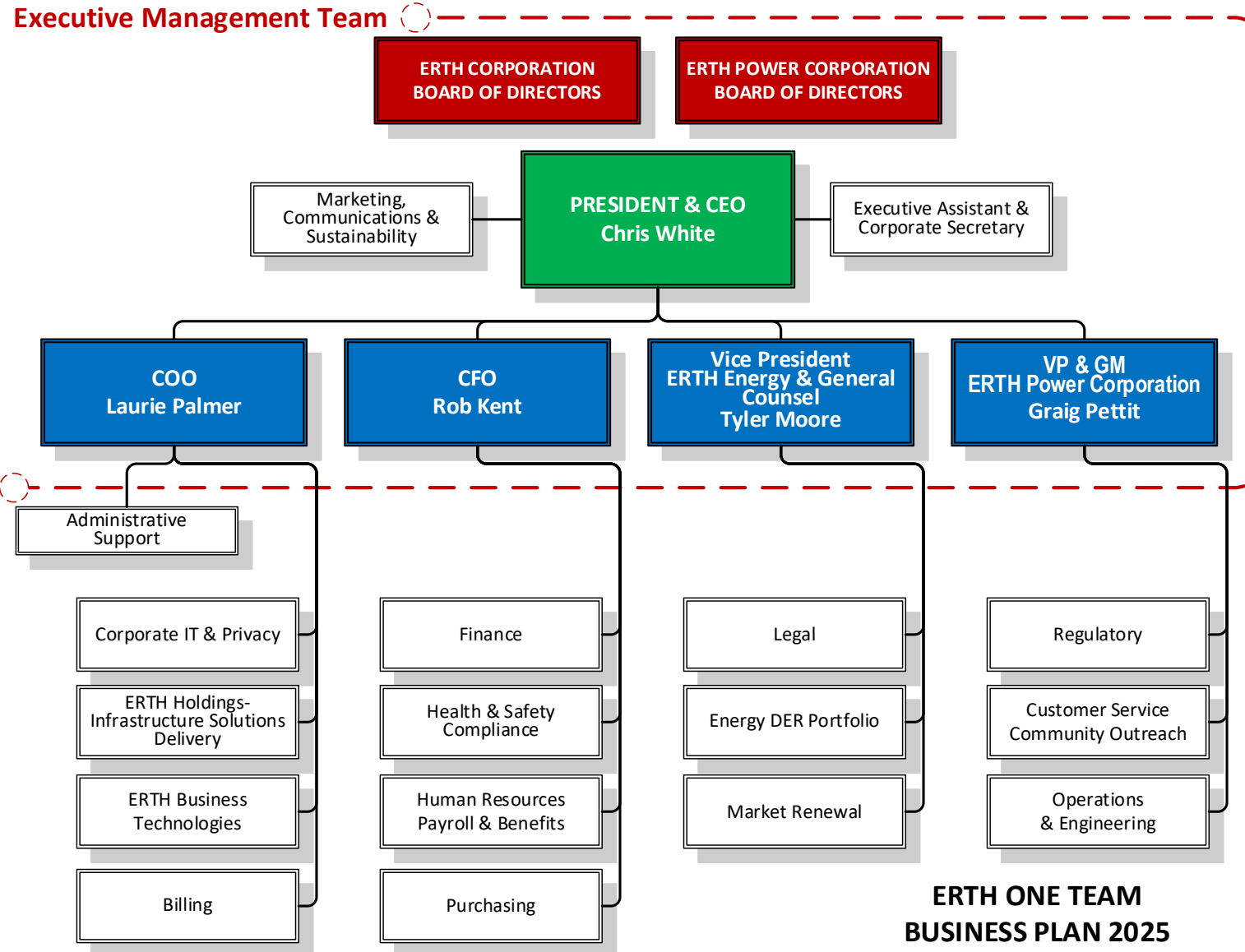
**ERTH Corporation**

- 100% Municipally owned
- ERTH Power
  - Regulated LDC
- ERTH Business Technologies
  - Retailer Market
  - Technology Dev
- ERTH Holdings
  - Competitive businesses
  - Energy Services & Solutions

- ERTH Infrastructure
- ERTH Solutions
- ERTH Energy



# Executive oversight



# ERTH Corporation

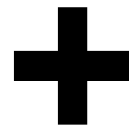
## Project Tulip Summary



 EARTH

# The Who? - Project Tulip

Building a stronger “Hometown Utility” together



# Valuation

## Doane Grant Thornton

### Percentage Ownership

- Fleet added to valuation at a premium
- Leveraged DGT Valuation
  - THI – High-Point
  - ERTH – Mid-Point
  - Added value for THI (good faith)
- **Equity** Shares value for Town of Tillsonburg representing –18.78%
- **Debt** through promissory note

		Merged Shareholder Ownership	
ERTH		<b>Tillsonburg</b>	<b>18.78%</b>
81.22%	24.49%	Ingersoll	24.49%
	18.27%	Goderich	18.27%
	12.20%	Aylmer	12.20%
	5.81%	Central Elgin	5.81%
	5.50%	Norwich	5.50%
	5.08%	West Perth	5.08%
	4.39%	Zorra	4.39%
	4.10%	East Zora Tavistock	4.10%
	1.38%	Southwest Oxford	1.38%
			<b>100.00%</b>
		Clinton	
		<b>Grant Thornton Valuation</b>	



- Combined Utility owned by 10 municipal shareholders serving 16 communities across 4 counties from the shores of Lake Erie (Port Stanley) to the shores of Lake Huron (Goderich)
- 100% municipally-owned
- Operations centres in Ingersoll, Goderich
- Providing safe, reliable delivery of electricity to approximately 33,600 residential, commercial customers



**33,600  
Customers**



**56  
Employees**



**91 sq. km  
Service Territory**



**603 km  
Distribution Line**



**36  
Fleet Vehicles**

# Corporate Structure

## Project Tulip

[Tillsonburg 18.78%]

### Shareholders



### Board of Directors



### Board of Directors



ERTH LIMITED

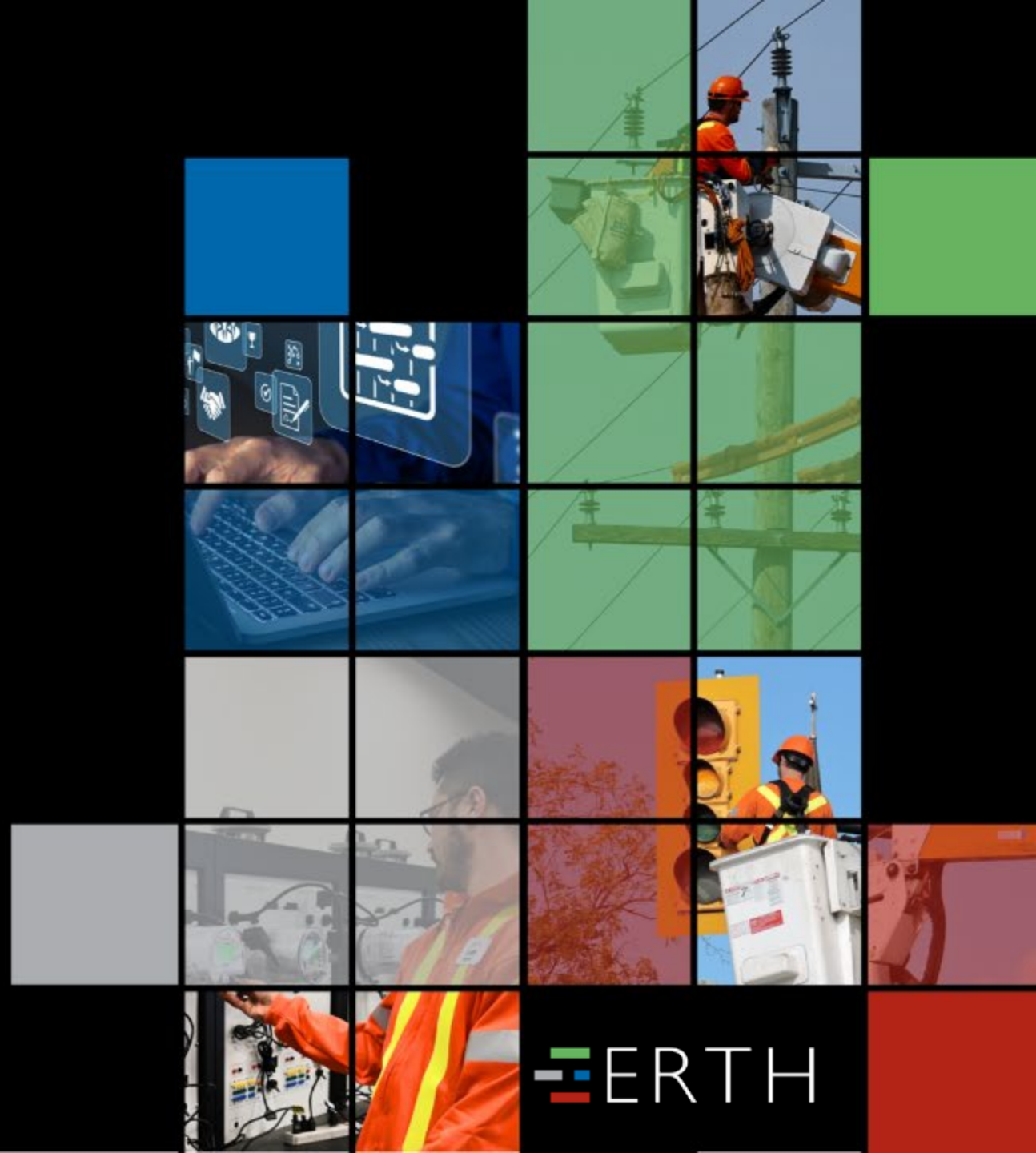
ERTH HOLDINGS INC.

ERTH BUSINESS  
TECHNOLOGIES INC.



# ERTH Corporation

Tillsonburg will have  
ownership in well established  
Competitive businesses



 ERTH

# ERTH Infrastructure Services

[Tillsonburg 18.78%]

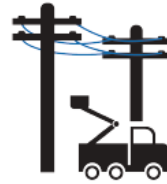
## Utility Construction, Lighting & Metering



LED Street Lighting



Traffic Signals



Pole Line Construction



Substation & High Voltage Services



ERTH Energy EV & Renewable Energy Services



Electrical Contracting



Accredited Meter Verification



Metering Service Provider (MSP)



Metering Field Services

# ERTH Business Solutions & Technologies

[Tillsonburg 18.78%]

## Solutions & Technologies



CIS Implementation  
& Support



Cloud Hosting



Utility Billing &  
Back-Office Services



Bill Design,  
Print & Mail



Quality Assurance  
Testing



Software  
Development



Robotic Process  
Automation



EBT Hub and EDI  
Services



Retailer Billing  
Services



Managed IT  
Services



Customer  
Engagement  
(Engage360)



Project  
Management



Green Button  
Solution



Quadra  
Estimating &  
Planning Software

Engage360

Customer  
Engagement  
Solution



# Update - Brand Refresh

Balancing tradition with modernization



# Update - 387 Thomas St. Operations and Business Hub

move in scheduled for May 2026



# Corporate Structure

## Project Milestone

[Tillsonburg 18.78%]

Shareholders



Board of Directors



Board of Directors





Westario Power Inc.



About



## Update - Project Milestone

- Combined Utility continued to be owned by 10 municipal shareholders including Tillsonburg
- Now serving 31 communities across 7 counties from the shores of Lake Erie (Port Stanley) to the shores of Lake Huron (Goderich)
- 100% municipally owned – Tillsonburg still owning 18.8% of the new entity
- Operations centres in Ingersoll, Goderich and Walkerton
- Providing safe, reliable delivery of electricity to approximately 58,600 residential, commercial customers



**58,600**  
Customers



**96**  
Employees



**155 sq. km**  
Service Territory



**1208 km**  
Distribution Line

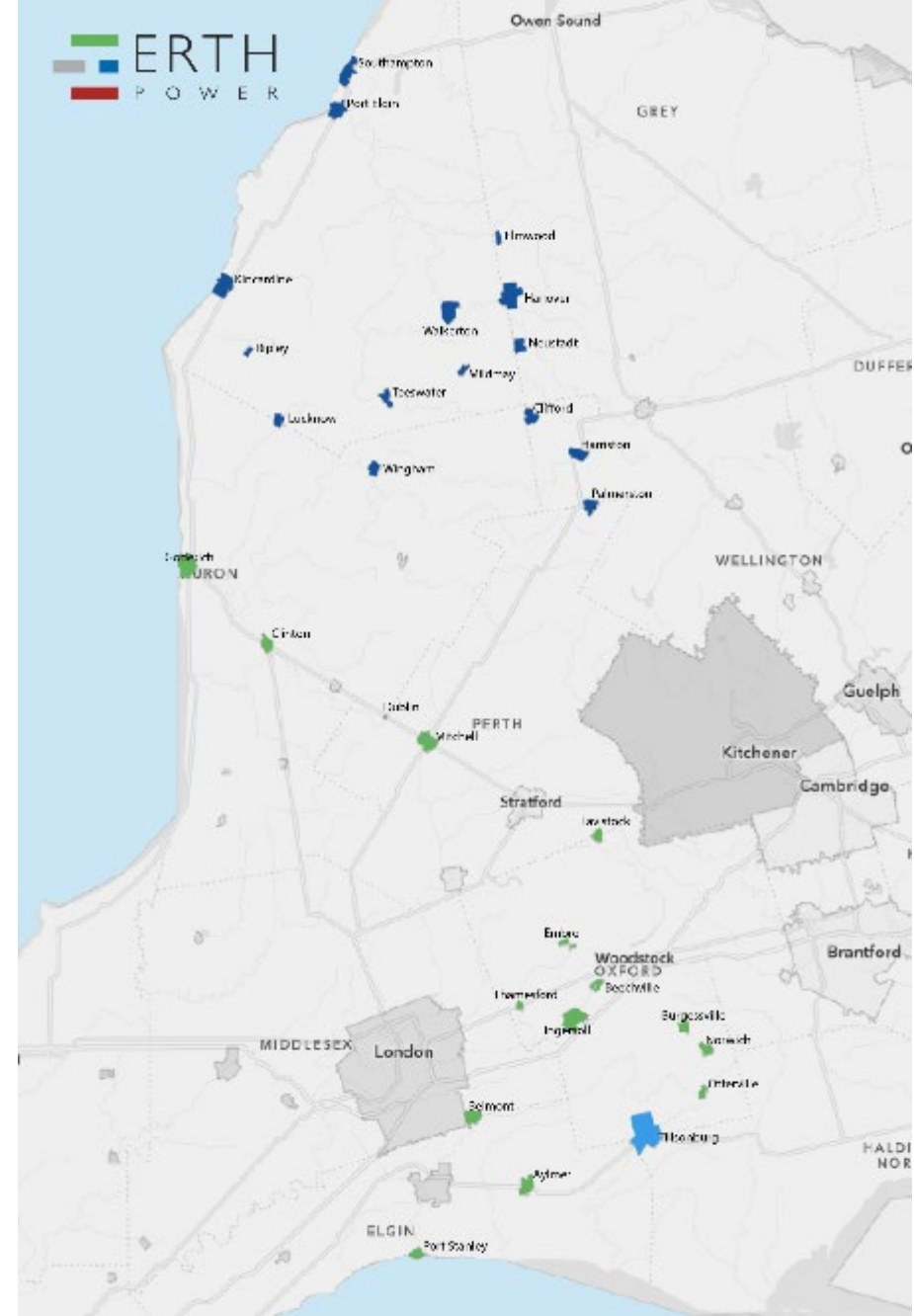


**59**  
Fleet Vehicles



# Strategic Value for shareholders

- EARTH Selected as the preferred proponent
- Growth - Additional value for shareholders
- Regional Utility – aligned with provincial mandate
- 4<sup>th</sup> Largest Geographic Distributor
- Now serving 58,600 customers
- 31 communities
- 7 counties
- **NO** dilution to shareholder ownership
- Tillsonburg -18.8%



# Guiding Principles

The following principles are essential for a successful merger

## Rate Stability

Future rate impacts will be mitigated through process improvements and efficiency gains.

## Path for Future Growth & Diversification

Larger organization with stronger financial capabilities and staffing capabilities needed to drive future growth within the regulated utility and competitive businesses.

## Partnership

Foster strong collaboration through community engagement, communications, transparency, and shared services.

## Innovation to Enhance the Customer Experience

Improve the overall customer experience through innovation and continuous improvement of people, processes, and technology. Be the *"Hometown Utility"* and leverage a customer-first approach.

## Good Governance

Committed to the best corporate governance practices, including transparency, accountability, and continuous improvement.

## Create Employee Opportunities

Create new opportunities for existing and future employees, leveraging engagement to retain and attract the future workforce.

## Retain Local Control

Municipalities and townships continued partnership will support local decision making that foster success and strengthen our communities.

## Responsive to Customer Service and Reliability

Service quality and reliability will not be negatively affected, and will strive to consistently exceed industry averages through operational excellence.

## Mitigate Shareholder and Business Risks

Protect the shareholder investment as the industry continues to transition to a more electrified state.

## Drive Prosperity and Sustainability for our Communities

Create an entity with scale for long-term sustainability, which gives back its communities, invests in technology, innovation, and critical infrastructure to build resiliency for the future.

## Health and Safety

Committed to the health and safety of all employees and the public.



## Transaction Overview

- Town of Tillsonburg to invest in ERTH Corporation
  - Town will receive an ownership stake in ERTH in exchange for the shares of Tillsonburg Hydro, which will be subsequently amalgamated with ERTH Power to create a Merged LDC
- Tillsonburg to receive:
  - One (1) Class A **Voting Share** which entitles Tillsonburg to an equal vote at all meetings of ERTH Shareholders
  - Class B **Economic Shares** in capital of ERTH representing a relative ownership position of **18.78%**
  - A **Promissory Note** with an interest payable of 7.25%






## Governance

- Tillsonburg will become party to the ERTH's shareholder agreement and can appoint one (1) representative to the ERTH Corporation Board
- Tillsonburg will also have the right to appoint one qualified independent director to the ERTH Power Board
- In addition, as a transitional measure, Tillsonburg will have the right to appoint an additional director to the ERTH Power Board for a period of three years after the closing of the proposed transaction

# ERTH Corporation (HoldCo) Board of Directors

*Tillsonburg will have a seat*



<p>Nicholas Vink Chair Municipality of West Perth</p> 	<p>Matt Langford Vice Chair Township of Zorra</p> 	<p>Robert Hawley Director Town of Ingersoll</p> 
<p>Gerald Richer Director Town of Aylmer</p> 	<p>David Apfelbeck Director Municipality of Central Elgin</p> 	<p>Michael Dymarski Director Township of Norwich</p> 
<p>Larry McCabe Director Town of Goderich</p> 	<p>Don McKay Director Township of East Zorra-Tavistock</p> 	<p>David Mayberry Director Township of South-West Oxford</p> 

# ERTH Power (LDC) Board of Directors



- **Gunars Ceksters**, Chair
- **Scott Stoll**, Vice Chair
- **Sarah Simmons**, Director
- **David Apfelbeck**, Director
- **Tillsonburg Independent Representative**
- **Tillsonburg Transition Representative**
- **Westario Area Independent Representative**

## Commitments

- **Transaction Fees** – ERTH agrees to pay all associated fees (filing) of the OEB's merger approval application. All other costs in completing the proposed transaction and/or legal review will be the responsibility of the party incurring the same.
- **Water Billing Services** – ERTH will deliver water billing services to the Town's residents, subject to County approval. **ERTH and Tillsonburg have agreed to commercial terms.**
- **Local Presence** – Local presence will be maintained at the customer service centre inclusive of ERTH signage.
- **Community Support** – Merged LDC will continue to provide the Town with in-kind and other community support.
- **Job Guarantees** – The merged LDC would provide a job guarantee up to 3-years to all identified Town employees [engaged fully in the THI operations]. All seniority and service credits will be maintained. ERTH will also continue to fund one (1) FTE currently paid under the MSA between the Town and THI for customer service functions. Annual cost of living increases will be applied to the contract rate.

## Commitments (cont'd)

- **Service Quality** – The merged LDC will commit to monitor and meet the OEB's Service Quality Indicators such that ERTH remains responsive and the Town is not negatively affected.
- **Minimum Capital Investments** – The merged LDC will continue to invest in the Town's electricity infrastructure as per THI's approved Distribution System Plan & working to ensure capacity is brought to the town and surrounding area.
- **Rate Guarantees** – The merged LDC will harmonize rates of THI and EPC in a manner set forth and approved by the OEB and meeting the intent of the OEB's "no harm test".
- **IT and Related Services** – ERTH agrees to provide hosting and related back-office IT support to the Town at a preferential rate, pursuant to a mutually-acceptable service agreement.

## Commitments (cont'd)

- **Minimum Capital Investments** – The merged LDC will continue to invest in the Town’s electricity infrastructure as per THI’s approved Distribution System Plan.

### IRRP Schedule

Activity	Lead	Timeframe
Develop the IRRP Forecasts	LDCs & IESO	Feb – Oct 2025
Complete system studies to identify needs	IESO	Jun – Jan 2026
Develop and assess wires and non-wires options	All	Feb – Jun 2026
Develop TWG consensus on recommendations	IESO	Jun – Jul 2026
Develop implementation plan based on community and stakeholder input	IESO	Jul – Sep 2026
Prepare IRRP report detailing near, medium, and long-term plan	IESO	Jun – Oct 2026
Publish IRRP report	IESO	Oct 26, 2026

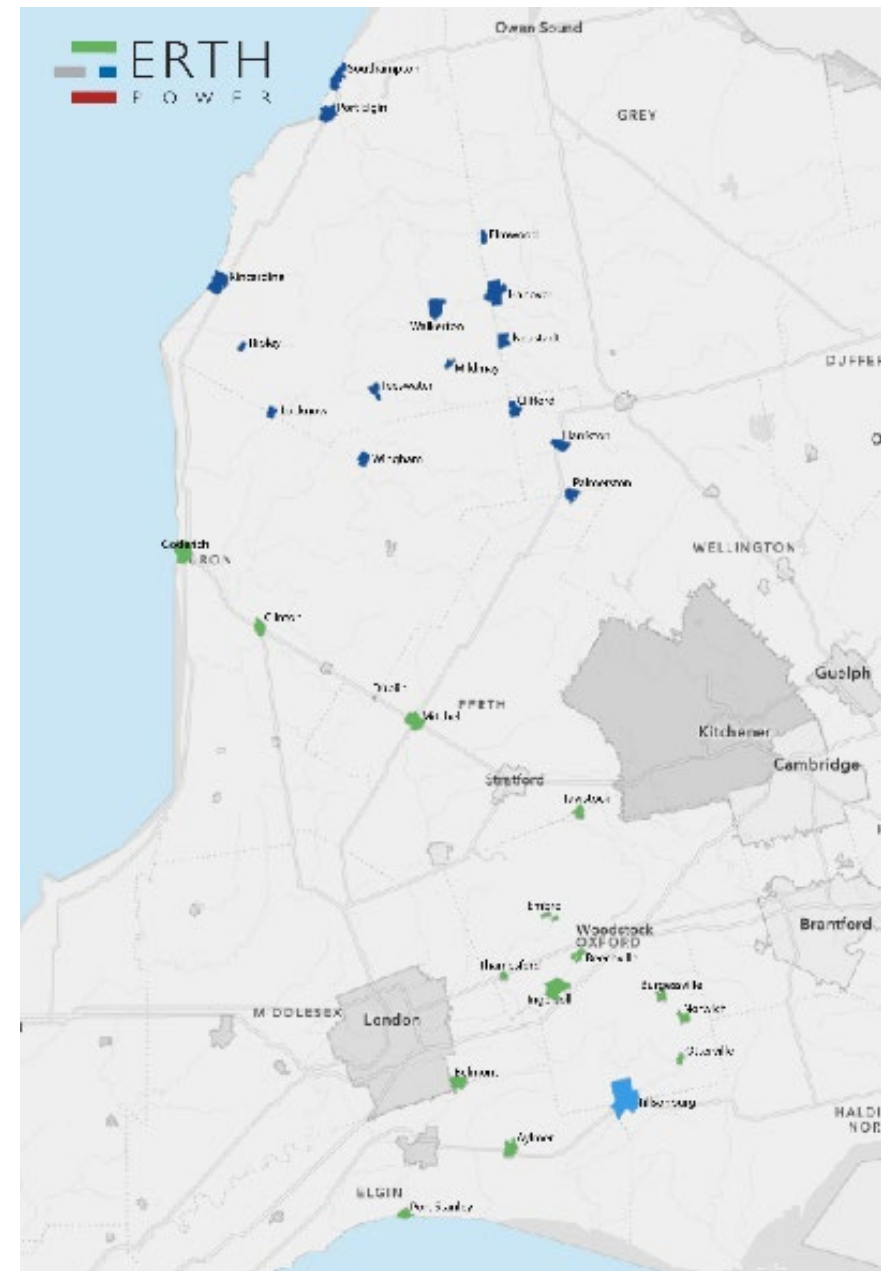
Engagements	Timeframe
Webinar 1 – Present IRRP Forecasts	December 2025
Webinar 2 – Present Needs and Options Screening	February 2026
Webinar 3 – Present Recommendations	Q3 2026

# Impact for Stakeholders

- **Shareholders** – no impact on governance and control – opportunity for stronger economic returns
- **Customer Experience** – responsiveness, communications, investment & innovation
- **Customer Rates** – expected to be lower than standalone LDC
- **Responsiveness** – improvement day to day operations as well as storm response through increased resources of the combined entity (ERTH, Tillsonburg and Westario staff)
- **Employees** – opportunity for employee movement & advancement – wider area to attract talent
- **Safety** – formalized H&S / Training program (enhancement to resources, policies & procedures)
- **Management** – enhanced management team [specialized vs generalized]
- **Local Presence** – presence at Tillsonburg customer service centre
- **Control Room** – state of the art control room, real-time monitoring of the Grid
- **Reliability** – maintained or improved stats, through resource capacity, investment in assets, technology and automation
- **Governance** – strong governance supporting provincial mandates
- **Community** – communications, engagement and involvement (eDSM)
- **Dividends** – similar returns years 1-3, stronger returns looking out as efficiencies are recognized

# Project Milestone - Rational

- **Geographic Proximity**
  - Stronger regional LDC in SW Ontario
  - Efficiencies of Scale
  - Beneficial for future Growth
- **Economies of Scale** [58,000 electricity customers – diversified customer base]
  - Leverage purchasing power of over 800,000 customers through membership with Grid Smart City
- **Scale – Minimum Efficient Size**
  - Long-term sustainability
  - Consolidation pressure from the Government and OEB – control our own destiny vs forced consolidation
- **Lower the Risk profile for our shareholders**
  - Economic, Pandemic, Climate, Cyber, HR and Velocity
- **Rate stability for our customers** [THI and EPC rates are similar]
  - Rates for combined entity will be lower than standalone
  - Efficiency savings of merged entities
  - Avoided capital costs over the next 3 years for THI estimated to be approx. \$3m
- **Modernization of our Local Grids**
  - Through distribution automation, green technologies and enhancing the customer experience
- **Combined company will have in-house capabilities & expertise to respond to OEB requirements**
  - Expertise: IT, regulatory, engineering, billing, etc
- **Non-regulated business opportunities**



# Next Steps

(If Approved)

**Subject to the direction of Shareholders, the following steps may take approximately 4 - 6 months to complete:**

- Execution of the Share Purchase Agreement
- Submission of an application to the OEB requesting regulatory approval (MAADs)
- Receipt of OEB approval and closing of the merger

# Questions

