Ontario’s Fair Hydro Plan – Detailed List of Key Deliverables and Status Update

ITEM	KEY DELIVERABLE	STATUS
Completed Work		
Provincial Support Agreements	• **Change of Law Protection Agreement:** The Province agrees to provide a limited guarantee, under which the Province would be required to pay the obligations of the financing entity if triggered. • **Change of Law Process Agreement:** Covers procedural mechanics as it pertains to the rights and responsibilities of OPG and the Province under the Change of Law Protection Agreement.	**Complete:** December 14, 2017
OPG Financing Plan	• Under the *Ontario Fair Hydro Plan Act, 2017,* OPG, as Financial Service Manager (FSM), is to produce (a) Financing Plan(s) that set out funding obligations for each reference period consistent with the Fair Allocation Amount. OPG finalized the Financing Plan and provided it to the Minister of Energy.	**Complete:** December 20, 2017
Equity Injection	• **Master Share Subscription Agreement:** Outlines the process by which the Province will subscribe for shares of OPG periodically. The Master Share Subscription Agreement was executed by the Ministry of Energy and OPG on November 29, 2017. • The Province has agreed to provide OPG with equity injections on an ongoing basis, equivalent to 44% of the funding requirement to acquire the regulatory asset. The first equity injection closed in December 2017. Second equity injection expected in March 2018.	**Complete:** December 20, 2017
Protocol for Subordinated Debt	• **Subordinated Debt Pricing Protocol:** Outlines the terms of the subordinated debt, including determination of the interest rate. OPG, OFA and the Ministry of Energy signed the protocol.	**Complete:** December 19, 2017
PILs Exemption	• **Amendments to Ontario Regulation 586/17: Payments In Lieu of Corporate Taxes, made under the *Electricity Act, 1998:*** Amendments exempt FHP2017 Inc. from PILs on income received as beneficiary of the Trust. MOF filed O. Reg. 586/17 to enable PILs exemption.	**Complete:** December 22, 2017
General Program Agreements	• **Master Trust Indenture (dated December 21, 2017):** Governs the roles and responsibilities of the Issuer Trustee and Indenture Trustee with respect to funding obligations. • **Declaration of Trust (dated December 20, 2017):** Declares that the Issuer Trustee holds in trust all property acquired in its capacity as trustee for the benefit of Unitholders (i.e., FHP2017 Inc. and the Indenture Trustee). • **Management Agreement (dated December 20, 2017):** The Issuer appoints OPG as Manager and the parties agree to the terms of management. • **Master Transfer and Servicing Agreement (dated December 21, 2017):** Governs the transfer and servicing of the regulatory/investment asset between IESO and the Trust.	**Complete:** December 20 and 21, 2017 (as specified)

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	• **IESO Acknowledgement and Indemnity Agreement (dated December 21, 2017):** IESO indemnifies the Indenture Trustee and agents/warehouse providers in connection with the senior warehouse notes and acknowledges the security interest of the Indenture Trustee over the Issuer's Investment Interest • **Indemnity Agreement (dated December 21, 2017):** OPG as Manager indemnifies the Indenture Trustee and agents/warehouse providers in connection with the senior warehouse notes. • **Warehouse Supplemental Indentures (dated December 21, 2017):** Supplements the Master Trust Indenture and specifies the features, terms and conditions of the senior, subordinated and junior subordinated warehouse notes. • **IESO Security Agreement (dated December 21, 2017):** IESO grants the Trust security interest over payment of carrying costs as required under O. Reg. 206/17 (General) made under the *Ontario Fair Hydro Plan Act, 2017*.	
Ongoing Work		
Initial Term Note Transaction Documents	• OPG / MOF / OFA / ENERGY have been working to finalize transaction documents outlined below. This work will be completed in advance of January 22, 2018. o **Offering Memorandum, Term Sheet & Investor Presentation:** Disclosure documentation for distribution to investors. o **Agency Agreement:** Appoints and governs the agreement of the agents (CIBC World Markets Inc., RBC Dominion Securities Inc., Goldman Sachs Canada Inc.) to effect the placement of the senior term notes. o **Senior, Subordinated and Junior Subordinated Supplemental Indentures:** Supplements the Master Trust Indenture and specifies the features, terms and conditions of the senior, subordinated, and junior subordinated term notes.	**Complete:** By January 22, 2018
OPG Market Activities / Technical Briefing	• On January 22, 2018, OPG (as Financial Services Manager) is expected to launch its marketing activities and start its cross-Canada road show on January 29. On February 5 or 6, 2018, OPG expects the transaction to be priced and closed the week of February 12. OPG would aim to complete the technical briefing the week of February 12, following closing. • On December 21, 2017, OPG purchased the regulatory asset/investment interest from IESO via its warehouse facilities. • In December 2017, OPG obtained a final rating from Moody's (AA2). OPG is expecting a rating from DBRS by January 19, 2018.	**Complete:** By week of February 12, 2018