DECLARATION OF TRUST

Made as of March 23, 2017

by

COMPUTERSHARE TRUST COMPANY OF CANADA

establishing

AFFORDABILITY FUND TRUST

TABLE OF CONTENTS

Page

SECTION 1 INTERPRETATION 1
1.1 Definitions 1
1.2 Headings and Table of Contents 4
1.3 References 5
1.4 Number and Gender 5
1.5 Governing Law 5
1.6 Severability 5
1.7 Reference to the Trust and the Trustee 5
1.8 Defect in Appointment 5

SECTION 2 CONCERNING THE TRUST 5
2.1 Objectives 5
2.2 Name of the Trust 6
2.3 Location 6
2.4 Fiscal Year 6

SECTION 3 DISTRIBUTIONS 6
3.1 Distributions to Primary Beneficiaries 6
3.2 Amount of Distributions to Primary Beneficiaries 7
3.3 Distributions to Residual Beneficiaries 7

SECTION 4 POWERS OF THE TRUSTEE 7
4.1 General 7
4.2 Specifically Enumerated Powers 8

SECTION 5 CONCERNING THE TRUSTEE 11
5.1 Duty of Trustee 11
5.2 Limitation of Liability 12
5.3 Liability of Trustee under Contracts 12
5.4 Funds of the Trustee 12
5.5 Indemnification of Trustee 12
5.6 Reliance upon Advice 13
5.7 Replacement of the Original Trustee 13
5.8 Rules and Procedures of the Board of Trustees 14
5.9 Confidentiality 15
5.10 Vesting in Successor Trustee 16
5.11 Execution of Instruments 16
5.12 Decisions by the Trustee 16

SECTION 6 AMENDMENTS AND SUPPLEMENTS 16
6.1 Amendments 16
6.2 Supplemental Declarations 17

TABLE OF CONTENTS
(continued)

Page

SECTION 7 TERMINATION 18
7.1 Duration 18
7.2 Termination and Distribution of Assets 18
7.3 Distribution of Assets on Final Distribution Date 18

SECTION 8 ACCEPTANCE OF TRUSTS 18
8.1 Acceptance of Trusts 18

PRINCIPLES ANNEX 20
SCHEDULE A TO THE PRINCIPLES ANNEX INDICATIVE ELIGIBLE MEASURES 25
SCHEDULE B TO THE PRINCIPLES ANNEX PRINCIPLES APPLICABLE TO EXPENSE REIMBURSEMENTS 30

PERMITTED DELEGATION ANNEX 31

TRUSTEE REPLACEMENT ANNEX 37

DECLARATION OF TRUST

This Declaration of Trust is made as of March 23, 2017, by Computershare Trust Company of Canada, a trust company established under the laws of Canada and licensed to carry on business as a trust company in each of the provinces and territories of Canada (together with its successors and assigns and the other trustees (including the Board of Trustees) contemplated herein, the "**Trustee**").

WHEREAS Computershare Trust Company of Canada, as settlor, wishes to establish a trust to acquire, hold, manage, invest, apply and dispose of certain property for the benefit of certain Beneficiaries as herein described.

NOW THEREFORE Computershare Trust Company of Canada hereby declares that it holds in trust as trustee (a) the sum of ONE HUNDRED DOLLARS ($100) contributed by it on this date and (b) all other property of every type and description which it may hereafter acquire or hold in its capacity as trustee of the Trust and all income therefrom and proceeds thereof, to hold, manage, invest, apply and dispose of same on and subject to the provisions set forth in this Declaration of Trust, including the annexes and schedule attached hereto.

SECTION 1
INTERPRETATION

1.1 Definitions

In this Declaration:

(a) "***Administrative Services Agent***" means each agent, which may include any Electricity Distributor or other Person, appointed from time to time under an Administrative Services Agreement, and its successors and permitted assigns solely in such capacity.

(b) "***Administrative Services Agreement***" means each agreement entered into from time to time by the Trust and one or more Administrative Services Agents or other Persons, in furtherance of the Purpose, under which the Administrative Services Agent agrees to provide specified administrative and other services to and on behalf of the Trustee, as such agreement may be amended, supplemented, restated, renewed or replaced from time to time and includes the agreement entered into on or about the date hereof between the Trustee and Hydro One Limited.

(c) "***Assets***" means, collectively, the following:

(i) the $100 Canadian referred to above, contributed by Computershare Trust Company of Canada on the date hereof;

(ii) all other property which is now or which at any time in the future may be issued, assigned, transferred, provided, donated, gifted and contributed to the Trustee (including pursuant to the Transfer Payment Agreement) to be held in trust pursuant to this Declaration (and which the Trustee is willing to accept and hold);

(iii) all acquisitions of property made by the Trust;

(iv) all property which may at any time be substituted for or in respect of the property referred to in clauses (i), (ii) and (iii), above;

(v) all income of the Trust, including investment income generated by the investment of the property referred to in clauses (i), (ii), (iii) and (iv), above; and

(vi) all proceeds of disposition of any of the property referred to in clauses (i) through (v) above,

but excludes any property paid out or distributed (whether out of income or capital) pursuant to the provisions of this Declaration.

(d) "***Beneficiary***" means each Primary Beneficiary and each Residual Beneficiary, as applicable.

(e) "***Board of Trustees***" means (i) as of the Original Trustee Replacement Date, the individual trustees appointed by the Original Trustee pursuant to Section 5.7 on the basis described in the Trustee Replacement Annex, and (ii) thereafter, the group of trustees appointed hereunder and acting in such capacity.

(f) "***Business Day***" means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day and any other day on which the Province has elected to be closed for business.

(g) "***Declaration***" means this Declaration of Trust, as it may be amended, restated, supplemented or otherwise modified from time to time, and includes each of the annexes and the Schedule attached hereto which constitute and form an integral part of this Declaration.

(h) "***Electricity Distributor***" means, in respect of a designated service area or region in Ontario, the distributor of electricity to residences located in such area or region.

(i) "***Electricity Invoice***" means an invoice issued by an Electricity Distributor in respect of electricity charges and related services and amounts incurred or assessed in respect of a residence located in the Electricity Distributor's designated service area or region in Ontario.

(j) "***Eligible Investments***" means (i) a deposit receipt, note, certificate or instrument issued, guaranteed or endorsed by a bank listed in Schedule I to the *Bank Act* (Canada), which provides that the principal and any interest shall be fully paid no later than one year after the day the investment was made, or (ii) a deposit account at a bank listed in Schedule I to the *Bank Act* (Canada).

(k) "***Eligible Measures***" means electricity efficiency and/or conservation measures determined by the Trustee from time to time on the basis contemplated in the Principles Annex and in the manner specified in and having regard to the Permitted Delegations Annex.

(l) "***Final Distribution Date***" means the earlier of (a) the date (if any) on which the Trustee determines (by a resolution of the Board of Trustees) that no further distributions are likely to be made to any Primary Beneficiary and (b) December 31, 2019.

(m) "***HAP Eligible Person***" means an "Eligible Person" as defined in Section 3.1 of the document entitled "Conservation First Framework LDC Took Kit" published by the Independent Electricity System Operator and designated as Final v3.0 – March 11, 2016, as amended in accordance with the Energy Conservation Agreement between the Independent Electricity System Operator and Electricity Distributors.

(n) **"Implementation Agent"** means each agent which may include any Electricity Distributor or other Person, appointed from time to time under an Implementation Agreement, and its successors and assigns solely in such capacity.

(o) **"Implementation Agreement"** means each agreement entered into from time to time by the Trustee and one or more Implementation Agents or other Persons in furtherance of the Purpose under which the Implementation Agent would agree to provide specified services to and on behalf of the Trustee (including, following the Original Trustee Replacement Date, as contemplated by the Permitted Delegations Annex) in connection with the implementation of the Program as such agreement may be amended , supplemented, restated, renewed or replaced from time to time.

(p) "***Minister of Energy***" means the Minister of Energy or such other member of the Executive Council as may be assigned primary ministerial responsibility for the administration of the *Ministry of Energy Act, 2011* under the *Executive Council Act*.

(q) "***Original Trustee***" means Computershare Trust Company of Canada, acting in its capacity as trustee hereunder, together with any additional or replacement Trustee appointed hereunder prior to the Original Trustee Replacement Date and any of their respective successors and assigns.

(r) "***Original Trustee Replacement Date***" has the meaning specified in Section 5.7, being the date on which the Original Trustee is replaced as trustee under this Declaration by the Board of Trustees as contemplated under Section 5.7.

(s) "***Permitted Delegations Annex***" means the Permitted Delegations Annex set forth as an annex to this Declaration.

(t) "***Person***" includes any individual, sole proprietorship, corporation, partnership, joint venture, association, society, club, board, chamber, joint-stock company, trust, trustee, unincorporated or incorporated organization or entity or government or any entity, agency or political subdivision thereof.

(u) "***Primary Beneficiary***" means each individual that, as of a time of determination, satisfies each of the following criteria:

(i) the individual owns, rents or leases a residence located in Ontario and is the primary or secondary electricity utility account holder named on an Electricity Invoice issued in respect of that residence; and

(ii) the individual is not a HAP Eligible Person.

(v) "***Principles Annex***" means the Principles Annex set forth as an annex to this Declaration.

(w) "***Province***" means the Province of Ontario.

(x) "***Program***" means the establishment, promotion, implementation and administration of a program to achieve the Purpose on the basis contemplated in this Declaration.

(y) "***Purpose***" means (i) the making of distributions to Primary Beneficiaries who are identified and whose needs are assessed in accordance with section 3.1 and 3.2 of this Declaration, having regard to (x) the principles set forth in the Principles Annex, (y) the manner and basis of implementation and administration of the Program contemplated in the Permitted Delegations Annex, and (z) the other terms, limitations and requirements set forth in this Declaration, and (ii) to the extent that Assets are available following the distributions made to Primary Beneficiaries as contemplated in (i), above, the making of distributions to Residual Beneficiaries who are identified and whose needs are assessed in accordance with section 3.3 and otherwise having regard to the other terms, limitations and requirements set forth in this Declaration.

(z) ***"Residual Beneficiary"*** means each charitable organization identified by the Trustee and specified as a residual beneficiary hereunder from time to time, selected by the Trustee in consultation with and having regard to the recommendations of the Ontario Energy Board in accordance with section 3.3.

(aa) "***Transfer Payment Agreement***" means the transfer payment agreement dated as of March 23, 2017 between the Trustee and Her Majesty the Queen in right of Ontario as represented by the Minister of Energy, as such agreement may be amended, restated, supplemented or otherwise modified by the further agreement of the parties thereto from time to time.

(bb) "***Trust***" means Affordability Fund Trust, a trust established under and governed by the laws of the Province of Ontario pursuant to this Declaration.

(cc) "***Trustee***" means (i) the Original Trustee and (ii) on and after the Original Trustee Replacement Date, the Board of Trustees acting together in accordance with and subject to Section 5.7 and in accordance with the rules and procedures adopted by the Board of Trustees pursuant to Section 5.8.

(dd) "***Trustee Replacement Annex***" means the Trustee Replacement Annex set forth as an annex to this Declaration.

1.2 Headings and Table of Contents

The insertion of headings and the provision of a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Declaration.

1.3 References

Unless otherwise specified, all references to Sections are to Sections of this Declaration. The words "hereto", "herein", "hereof", "hereunder" and similar expressions refer to this Declaration and not to any particular Section or other provision of this Declaration.

1.4 Number and Gender

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.5 Governing Law

This Declaration shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and of Canada applicable therein.

1.6 Severability

Any provision of this Declaration which is illegal, invalid or unenforceable in any jurisdiction shall not affect the legality, validity or enforceability of the remaining provisions and any such illegality, invalidity or unenforceability in any jurisdiction shall not affect the legality, validity or enforceability of such provision in any other jurisdiction.

1.7 Reference to the Trust and the Trustee

For greater certainty, where any reference is made in this Declaration to an act to be performed by or for or on behalf of the Trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by or for or on behalf of the Trustee in its capacity as trustee of the Trust, and, where any reference is made in this Declaration to an act to be performed by or for or on behalf of the Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by or for or on behalf of the Trustee solely in its capacity as trustee of the Trust. Except as provided under the Transfer Payment Agreement, no Person dealing with the Trust or the Trustee shall be bound to make any enquiry concerning, or has the right to require production of, any evidence of the validity of any act of, or transaction purporting to be made by, the Trustee.

1.8 Defect in Appointment

No action taken by the Trustee will be invalid or ineffective by reason only of any defect in the appointment of the Trustee or the non-compliance by the Trustee with any rules or procedures adopted by the Trustee and which is discovered after the taking of such action.

SECTION 2
CONCERNING THE TRUST

2.1 Objectives

The Trust is established to hold, invest, apply and dispose of the Assets for the benefit of the Beneficiaries in furtherance of the Purpose, as provided for in this Declaration. In furtherance of the Purpose:

(a) the Original Trustee shall hold and invest the Assets as contemplated in this Declaration until the Original Trustee Replacement Date, after which the Board of Trustees shall be duly appointed hereunder; and

(b) the Board of Trustees shall hold, invest, apply and dispose of the Assets in accordance with this Declaration, including by determining the identities of and distributions (if any) to be made to or for the benefit of the Primary Beneficiaries in accordance with Sections 3.1 and 3.2 of this Declaration, having regard to the principles set forth in the Principles Annex and in the manner and on the basis contemplated in the Permitted Delegations Annex, or otherwise by determining the identities of and distributions to be made to or for the benefit of any Residual Beneficiary in accordance with Section 3.3,

in each case and in all respects subject to the terms, limitation and requirements set forth in this Declaration.

2.2 Name of the Trust

The name of the Trust shall be the "Affordability Fund Trust" or such replacement name as the Trustee shall determine and specify from time to time. The Trustee shall hold the Assets and conduct the activities of the Trust under such name or variation thereof (including any variation of such name in the French language). If the Trustee determines to change the name of the Trust, the Trustee may specify and use such other designation or adopt such other name (including any name in the French language) as it considers appropriate and may hold the Assets and conduct the activities of the Trust under such designation or other name.

2.3 Location

The head office and the situs of the administration of the Trust shall be • or such other address in Ontario as the Trustee may determine from time to time.

2.4 Fiscal Year

The fiscal year of the Trust shall end on December 31 of each year.

SECTION 3
DISTRIBUTIONS

3.1 Distributions to Primary Beneficiaries

After the Original Trustee Replacement Date and prior to the Final Distribution Date, the Trustee shall undertake diligent efforts in good faith to distribute the Assets (including capital or income) to the Primary Beneficiaries identified based on the application of the principles specified in the Principles Annex and in the manner and in the amounts determined on the basis contemplated by the Permitted Delegations Annex, in each case in the amounts and to the extent specified herein and therein, subject in all respects to the exercise by the Trustee of its discretion hereunder and to the exclusion of the other Beneficiaries.

3.2 Amount of Distributions to Primary Beneficiaries

For the purposes of determining the amount of distributions to be made to the Primary Beneficiaries, the Trustee shall have regard to and be entitled to rely on the recommendations of and information provided by Electricity Distributors acting as Implementation Agents appointed for the purposes, in the manner and substantially on the terms contemplated in the Permitted Delegations Annex, without any duty or obligation to verify or makes enquiries regarding the basis for or propriety of such recommendations or the accuracy or completeness of such information, except if and to the extent that the Trustee, in its discretion, determines that (i) it has actual knowledge that such recommendations are contrary to the reasonable application of the principles set forth in the Principles Annex or have been made on a basis that is manifestly contrary to such principles or the delegations and activities specified or contemplated to be undertaken under the Permitted Delegations Annex or (b) such information is known by the Trustee to be erroneous, contain a material misrepresentation or is materially incomplete.

3.3 Distributions to Residual Beneficiaries

Prior to the Final Distribution Date, the Trustee shall identify the Residual Beneficiary, or if more than one the Residual Beneficiaries and their respective allocations, by consulting with and having regard to the recommendations of the Ontario Energy Board, based on those charitable organizations which provide support services for Low Income Energy Assistance Program Emergency Financial Assistance (LEAP EFA) and the Ontario Electricity Support Program (OESP) or other charities that OEB may identify as relating to the Purpose. Following the Final Distribution Date, the Trustee shall, subject to compliance with section 7.3 and completion of a final audit, distribute all remaining Assets (including capital or income) to the Residual Beneficiaries, in each case in the amounts and to the extent determined by the Trustee in its discretion hereunder (having consulted with and having had regard to the recommendations of the Ontario Energy Board as aforesaid) and to the exclusion of the other Beneficiaries.

SECTION 4
POWERS OF THE TRUSTEE

4.1 General

Subject to and in compliance with the terms, limitations and restrictions of this Declaration and notwithstanding applicable trust legislation, the Trustee shall have, without other or further authorization, full, exclusive and absolute power, control and authority over the Assets and over the affairs and activities of the Trust to the same extent as if the Trustee were not a trustee, but rather the sole and absolute owner of the Assets in its own right, including such power, control and authority to do all such acts and things as in its sole judgment and discretion are necessary, incidental or desirable for carrying on the affairs and activities of the Trust, with such powers of delegation as may be permitted or otherwise contemplated by this Declaration. Except as expressly provided in this Declaration, the enumeration in this Declaration of any specific power or authority shall not be construed as limiting the aforesaid general power or authority or any other specific power or authority set out herein. Subject to the terms, limitations and restrictions of this Declaration, every discretion or power hereby conferred on the Trustee is an absolute and uncontrolled discretion or power.

4.2 Specifically Enumerated Powers

The Trustee shall have the following specific powers and authorities:

(a) ***Transfer Payment Agreement.*** The Trustee shall have the power to enter into, amend, supplement, modify and perform its obligation under the Transfer Payment Agreement.

(b) ***Contracts and Undertakings.*** The Trustee shall have the power to enter into, amend, supplement, modify and perform its obligation under any contract entered into or undertaking given by the Trustee in furtherance of the Purpose, including any Administrative Services Agreement and any Implementation Agreement.

(c) ***Power to Own, Hold and Manage.*** Subject to section 4.2(d), the Trustee shall have the power to own, hold and manage the Assets in such manner as the Trustee, in its sole and absolute discretion, may consider appropriate or advisable.

(d) ***Power to Invest in Eligible Investments.*** The Trustee shall have the power to invest the Assets only in Eligible Investments, and to change such Eligible Investments at any time and from time to time, all as the Trustee, in its sole and absolute discretion, may consider appropriate or advisable, but always having regard to the Trustee's expectations regarding the timing of payments to be made to the Beneficiaries hereunder. If an investment of Assets in Eligible Investments would not be authorized under the applicable trust laws of Ontario, the Trustee shall nevertheless be permitted to make an investment of the Assets in such Eligible Investments. The Trustee will have no liability for the diminution in the value of any investment in Eligible Investments made hereunder.

(e) ***Power to Dispose of Assets.*** The Trustee shall have the power to sell, convey, assign, transfer, exchange and in any other manner dispose of the Assets or any part or parts thereof free and clear of any and all trusts established under this Declaration, by public or private sale, for cash or on credit, with or without advertisement, and subject to such restrictions, stipulations, agreements and reservations as the Trustee in its sole and absolute discretion may consider appropriate or advisable, and to execute and deliver and perform any agreement, deed, conveyance, transfer or other document or instrument in connection with the foregoing.

(f) ***Power to Apply Assets and Proceeds to Make Distributions to Beneficiaries.*** The Trustee shall have the power to apply the Assets and the proceeds and income derived therefrom to make distributions to the Beneficiaries contemplated by Section 3, and to execute and deliver and perform any agreement, deed, conveyance, transfer or other document or instrument in connection therewith.

(g) ***Power to Delegate and to Appoint Agents, etc.*** The Trustee shall have the power to appoint, employ or contract with any Person as the Trustee in its sole and absolute discretion may consider appropriate or advisable in connection with the activities of the Trust. Without limiting the generality of the foregoing:

(i) the Trustee will have the power at any time and from time to time to appoint, employ or retain consultants, financial advisers, technical advisers, legal counsel, accountants, administrative services agents, implementation agents, insurers, insurance agents and insurance brokers, as the Trustee may require for the

purpose of discharging its duties hereunder and shall not be responsible for or for the actions of any of them, including to:

(A) act for and on behalf of the Trust in connection with any and all matters in any way relating to the negotiation, settlement, entering into, amending, performance and enforcement of the Transfer Payment Agreement, the Administrative Services Agreements, the Implementation Agreements, and any other agreements and contracts to which the Trust becomes a party in accordance with this Declaration;

(B) to provide or cause to be provided any or all kinds of administrative and other services in any way relating to the activities of the Trust;

(C) to act as attorney in fact, agent or trustee in the acquisition, holding, investment, application, sale or other disposition of the Assets and in the handling, prosecuting, defending or settling of any claims of or made against the Trust;

(D) to value the Assets and determine the net income of the Trust; and

(E) to make any filings, elections and submissions (including in respect of taxation matters) in connection with the Trust's compliance with applicable laws and regulatory requirements; and

(ii) the Trustee may pay remuneration and reimbursements from the Assets for services performed for it or on its behalf in the discharge of the trusts hereof without taxation for costs or fees of any counsel, solicitor or attorney.

Without limiting the foregoing, it is expected that the Board of Trustees will seek to enter into Implementation Agreements with Electricity Distributors for the purposes contemplated by the Permitted Delegations Annex, and on such terms and conditions (including terms and conditions as to the payment of reasonable fees and expenses) not inconsistent therewith as the Trustee, in its sole and absolute discretion, may consider appropriate or advisable.

(h) ***Power to Operate Accounts.*** The Trustee shall have the power to (i) open and operate accounts at any chartered bank, trust company or other financial institution in Canada or elsewhere, as the Trustee in its sole and absolute discretion may consider appropriate or advisable; (ii) deposit therein any moneys or securities forming part of the Assets whether or not such deposits will earn interest; (iii) withdraw such deposits at such times and in such manner as the Trustee may determine; (iv) draw, make, endorse, deposit or otherwise deal in cheques, bills of exchange, promissory notes, drafts and other kinds of instruments and securities; and (v) enter into contracts or agreements with any such chartered bank, trust company or other financial institution containing such terms and provisions as the Trustee, in its sole and absolute discretion, may consider appropriate or advisable. In connection therewith, the Trustee shall have no liability or responsibility for any loss which may occur by reason of the failure of any such chartered bank, trust company or other financial institution.

(i) ***Power to Collect, etc.*** The Trustee shall have the power to (i) collect, sue for, receive and give receipts for all sums of money or other property due to the Trust; (ii) consent to extensions

of time for payment or to the renewal of any securities or obligations; (iii) engage or intervene in, prosecute, defend, compound, compromise, abandon or adjust by arbitration or otherwise, any demands, claims, actions, suits or proceedings relating to the Trust or the Assets; (iv) exercise any and all remedies available to the Trustee under any agreement or as may otherwise be available, including any power of foreclosure or sale available at law; (v) in connection with any such foreclosure or sale, purchase or otherwise acquire title to any property and to convey good title thereto free of any and all trusts hereby established, or to take or retake possession of any property secured under any agreement or instrument; (vi) extend the time, with or without security, for the payment or delivery of any debts or property; (vii) execute and deliver releases, acquittances, discharges, agreements or other instruments related thereto; and (viii) pay or satisfy any debts or claims upon any evidence that the Trustee, in its sole and absolute discretion, may determine to be sufficient.

(j) ***Power to Obtain Insurance.*** The Trustee shall have the power to enter into contracts for or in relation to or otherwise obtain policies of insurance for the purpose of insuring the risks associated with the Trust, including to insure the Trustee (including the members of the Board of Trustees) against any risk of loss associated with assuming and performing the duties as Trustee. Without limiting the foregoing, it is expected that the Board of Trustees will obtain commercial general liability insurance from insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, that in the opinion of the Recipient a prudent person similar to the Recipient would maintain, and having an inclusive limit of not less than $2,000,000 per occurrence and providing for contractual liability coverage.

(k) ***Power to Pay Trustee's Fees.*** The Original Trustee shall be entitled to be paid and receive the fees set forth in the Original Trustee's schedule of fees delivered as of or prior to the date hereof as compensation for its services under this Declaration, and to be reimbursed for its out-of-pocket expenses reasonably incurred, in each case from the Assets and without the approval of any Beneficiary or any court. The Original Trustee shall be entitled, in its sole and absolute discretion, to withdraw funds from time to time for such purpose from any account of the Trust. Members of the Board of Trustees shall be entitled to reimbursement for and in respect of their out-of-pocket expenses reasonably incurred in discharging their respective duties and obligations under this Declaration, in each case without the approval of any Beneficiary or any court, provided that the members of the Board of Trustees have general regard to the accountability principles set out in Schedule B to the Principles Annex.

(l) ***Power to Pay Taxes.*** The Trustee shall have the power to (i) pay, deduct, withhold or remit any taxes or assessments which are required by law to be paid, deducted, withheld or remitted together with or from any payment made by the Trustee; (ii) pay all taxes or assessments of whatever kind or nature imposed upon or against the Trust or the Trustee in connection with the Assets or any part thereof; (iii) collect and remit all taxes and assessments of whatever kind or nature required to be collected and remitted by the Trust or the Trustee in connection with their activities or the Assets or any part thereof; (iv) appeal, settle or compromise tax claims or liabilities; and (v) for the foregoing purposes, to make such returns, elections and submissions and do all such other acts and things as the Trustee, in its sole and absolute discretion, may consider appropriate or advisable.

(m) ***Power to Appoint Auditors.*** The Trustee shall have the power to select and appoint and discharge and re-appoint, in its sole and absolute discretion, an auditor or auditors of the Trust and to settle and pay the fees of any such auditor or auditors from any account of the Trust.

(n) ***Form of Accounts.*** The Trustee shall have the power to determine and change from time to time, in its sole and absolute discretion, the method or form in which the accounts of the Trust will be kept and shall not be required to keep or provide accounts in the form usually required by law to be kept or provided by trustees; provided that such method or form reasonably complies with generally accepted accounting principles in effect in Canada to the extent applicable.

(o) ***Title to Assets.*** The Trustee shall have the power to cause all or any part of the Assets to be held by or registered, in its sole and absolute discretion, in the name of any Person.

(p) ***Delegation of Discretion.*** The Trustee shall have the power to delegate the right and power to exercise, or concur in the exercise of any discretion or power, conferred on the Trustee in this Declaration or conferred by law to any one or more of its directors, officers, employees, agents, representatives or to such other Person, as the Trustee, in its sole and absolute discretion, may think is appropriate or advisable, including to one or more Administrative Services Agents under an Administrative Services Agreement and to one or more Implementation Agents and their respective employees, officers and directors under a related Implementation Agreement entered into by the Trust substantially on the basis contemplated in the Permitted Delegations Annex. In particular, the Trustee shall have the power to accept, rely on and follow the recommendations of an Electricity Distributor made under and having regard to the Permitted Delegation Annex with respect to the identification of, and the determination of distributions (if any) to be made to, any Primary Beneficiary, except if and in so far as the Trustee has actual knowledge that (1) such Primary Beneficiary did not in fact satisfy the "Selection Factors" specified in the Principles Annex as of the applicable time of determination; and/or (ii) the amount recommended to be distributed to the Primary Beneficiary was not calculated in substantial compliance with, or was calculated in a manner that is manifestly contrary to the requirements set forth or contemplated in, the Permitted Delegation Annex or the applicable Implementation Agreement.

(q) ***Additional Powers.*** The Trustee shall have the power to perform and do all such other acts, to take such steps and to execute all such deeds, transfers, assignments, agreements and other documents and instruments as the Trustee, in its sole and absolute discretion, may consider appropriate or advisable for the carrying out of any of its powers hereunder or of any of the activities of the Trust as herein contemplated, or for the carrying out, promotion or advancement of the interests of the Trust, whether or not any of such acts, things, documents or instruments are herein expressly mentioned. Any good faith determination by the Trustee as to what is necessary, desirable or appropriate to carry out its powers or activities of the Trust as contemplated under this Declaration or to carry out, promote or advance the interests of the Trust shall be conclusive. Any construction of this Declaration or any determination as to the activities of the Trust or the existence of any power or authority hereunder made in good faith by the Trustee, relying upon the advice of counsel, shall be conclusive. In construing the provisions of this Declaration, there shall be a presumption in favour of a grant of power to the Trustee.

SECTION 5
CONCERNING THE TRUSTEE

5.1 Duty of Trustee

In performing its duties and exercising its powers under this Declaration, the Trustee shall act honestly, in good faith and with a view to the best interests of the Trust and the Beneficiaries and

shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances (the "**Standard of Care**"). The Trustee shall observe and act in accordance with the terms of, and shall observe and comply with the limitations and restrictions set forth in, this Declaration, including having due regard to the principles set forth in the Principles Annex. To the extent that the Trustee has so delegated any of its duties or powers, it shall be deemed to have satisfied the Standard of Care in respect of the subject matter of such delegation, subject to the Trustee's overall duty as a trustee to exercise prudent oversight in relation to such delegation. Unless required by law, the Trustee will not be required to give any security, bonds or sureties in any jurisdiction for the performance of any of its duties and obligations under this Declaration. The Trustee (including the individual members of the Board of Trustees) will not be required to devote its entire time to the trust activities.

5.2 Limitation of Liability

The Trustee shall not be personally liable in tort, contract or otherwise to any Beneficiary or any other Person for any loss or diminution in the value of the Assets, or for any action or failure to act on the part of the Trustee or any of its employees or agents or any other Person, and shall not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses incurred by or against the Trust, howsoever arising, and resort will be had solely to the Assets for the payment, performance or satisfaction thereof. No property or assets of the Trustee, owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with respect to any obligation under this Declaration. However, the foregoing limitations in this Section shall not apply where the Trustee has demonstrated gross negligence, bad faith, fraud or wilful misconduct.

5.3 Liability of Trustee under Contracts

Any document or instrument creating a liability or obligation of the Trust or of the Trustee will be conclusively deemed to have been executed by the Trustee only in its capacity as Trustee of the Trust and will be binding upon the Trustee only in its capacity as trustee hereunder and resort may not be had to, nor recourse or satisfaction be sought from, the property of the Trustee other than the Assets, whether owned by its in its personal capacity or in any other capacity other than in its capacity as Trustee of the Trust, or from its employees or agents, and in all cases resort will be had solely to the Assets for the payment, performance or satisfaction of any such liability or obligation. However, the foregoing limitations in this Section shall not apply where the Trustee has demonstrated gross negligence, bad faith, fraud or wilful misconduct. Each document or instrument creating a liability or obligation of the Trust or of the Trustee shall contain a provision providing for the aforesaid limitation of liability.

5.4 Funds of the Trustee

The Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

5.5 Indemnification of Trustee

In addition to and without limiting any other protection hereunder or otherwise by law of the Trustee and its respective employees, agents, representatives and assigns (in this Section 5.5,

collectively, the "**Representatives**"), the Trustee and its respective Representatives shall be indemnified, defended and saved harmless out of the Assets from, against and in respect of any and all liabilities arising or related to actions taken or omitted to be taken by any agent of the Trustee, losses, claims (including any claim arising out of the assessment of any tax on income by a taxing authority), damages, penalties, fines, actions, suits, demands, levies, assessments, costs, charges, expenses and disbursements (including, without limitation, any and all legal and advisor fees and disbursements) (in this Section 5.5, collectively, the "**Liabilities**") of whatever kind or nature which may at any time be suffered by, imposed upon, incurred by or asserted against the Trustee and its Representatives, whether groundless or otherwise, howsoever arising from or out of any act, omission or error of the Trustee, in each case made in connection with its acting as Trustee hereunder, in each case except and to the extent that the Liabilities are a result from or are caused by gross negligence, wilful misconduct, bad faith or fraud. Further, except as provided in section 5.2, the Trustee shall not be liable to any Beneficiary for any loss or damage relating to any matter regarding the Trust, including any loss or diminution in value of the Assets. Notwithstanding any other provision hereof, the obligations provided for in this section 5.5 shall survive any termination of the Trust, whether by reason of removal or resignation of the Trustee, termination or discharge of this Declaration or otherwise.

5.6 Reliance upon Advice

Subject to section 5.1, in performing its duties and exercising its powers hereunder, the Trustee may rely and may act or not act, and shall be fully protected in relying and acting or not acting, upon (a) any statement, telecopy or other electronic means of communication, writing, notice, resolution, report, opinion or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person; (b) any opinion or advice received or information obtained from auditors, solicitors, or other professional advisers, whether retained by the Trustee or otherwise, and shall not be responsible or held liable for any loss or damage resulting from so relying or acting or not acting; and (c) the advice and actions of any Administrative Services Agent or Implementation Agent, including in connection with the delegations and reliances contemplated under the Permitted Delegations Annex. For greater certainty, it shall not be necessary for the Trustee to ascertain whether or not the Persons who have executed, signed or otherwise issued, authenticated or receipted such papers, writings or documents (including any Administrative Services Agreement or any Implementation Agreement or any other contract entered into by the Trustee) have authority to do so or that they are the same Persons named therein or otherwise to pass upon any requirement of such papers, writing or documents that may be essential for their validity or effectiveness or upon the truth and acceptability.

5.7 Replacement of the Original Trustee

The Persons identified in the Trustee Replacement Annex are hereby appointed to comprise the Advisory Committee contemplated therein (the "**Advisory Committee**"). The Original Trustee shall promptly request that the Advisory Committee make recommendations with respect to the composition of the "Board of Trustees", as contemplated by the Trustee Replacement Annex. The Original Trustee shall have no duty or obligation to investigate the basis for any of the Advisory Committee's recommendations and may rely on such recommendations without any duty of enquiry, supervision or oversight with respect to the activities and decision-making processes adopted by the Advisory Committee in its discretion, in full satisfaction of the Original Trustee's Standard of Care with respect to such matters hereunder. Except where it is manifestly

apparent to the Original Trustee that the individuals recommended by the Advisory Committee to become members of such Board of Trustees are disqualified from so acting on the basis of manifest non-compliance with the "Selection Factors" set forth in the Trustee Replacement Annex, the Original Trustee shall appoint, as members of the Board of Trustees, the six (five voting and one non-voting) individuals recommended for appointment to the Board of Trustees by the Advisory Committee. If the Original Trustee declines to appoint any individual recommended by the Advisory Committee, the Original Trustee will promptly request that the Advisory Committee provide a further recommendation whom the Original Trustee shall appoint as a member of the Board of Trustees unless it is manifestly apparent to the Original Trustee that the individual so recommended is also disqualified from so acting on the basis of manifest non-compliance with the "Selection Factors" set forth in the Trustee Replacement Annex,. Upon the appointment of such six individuals pursuant to this provision and their agreement to act as members of the Board of Trustees, the Original Trustee shall be deemed to have resigned and shall cease to be a trustee (such resignation occurring on the "**Original Trustee Replacement Date**").

5.8 Rules and Procedures of the Board of Trustees

(a) ***Initial Requirements***. As soon as practicable and in any event no later than one month following the Original Trustee Replacement Date, the Board of Trustees is expected to meet to take such decisions and actions as they deem necessary to ensure the proper management and administration of the Trust. The date (and location if in person) of the initial meeting shall be determined by a majority of the Board of Trustees.

(b) ***Meetings.*** Subject to the Board of Trustees' discretion to make such rules and procedures that they may deem desirable, meetings of the Board of Trustees may be held at such time and place as the trustee members of the Board of Trustees may agree upon or as they may fix by resolution for the purpose or if the meeting is called as hereinafter mentioned then at such time as may be designated in the notice calling the meeting. A meeting of the Board of Trustees may be called at any time by any two members of the Board of Trustees by two Business Days' notice given to the members of the Board of Trustees. No notice of any Board of Trustees' meeting shall be necessary when a quorum is present if those comprising the quorum consent to the transaction of the affairs of the Trust and the absent trustee or trustees, if any, either before or after the meeting shall waive in writing notice of the meeting. Meetings of the Board of Trustees may be conducted in person, by telephone, or in such other manner as determined by the Board of Trustees. The Board of Trustees may elect a Chairperson.

(c) ***Quorum.*** At any meeting of the Board of Trustees, a majority of the voting members of the Board of Trustees shall be a quorum irrespective of the number of members in office. The decision of the majority of the voting members where quorum exists shall govern and shall be binding for all purposes and shall be acted upon and carried out in the same manner and with the same effect as if all the voted members concurred therein; provided always that in the case of equality of votes the Chairperson, if any, shall not be entitled to cast a second or deciding vote.

(d) ***Power to Adopt Rules and Procedures.*** The Board of Trustees may make such rules and procedures not inconsistent herewith as it may deem desirable for the proper management and administration of the Trust and the discharge of the responsibilities of the Board of Trustees.

(e) ***Replacement of Members of the Board of Trustees***. The Board of Trustees shall have the power to replace any vacancy arising following the Original Trustee Replacement Date according to such rules and procedures as they deem appropriate subject to compliance with the Selection Factors specified in Trustee Replacement Annex and having regard for such considerations necessary to ensure that the composition of the Board of Trustees will be able to discharge its responsibilities in respect of the Declaration. If necessary, the Board of Trustees may fill any vacancy by application to the Courts of Ontario in the event of an unfilled vacancy.

(f) ***Decisions of the Board of Trustees.*** Decisions and actions of the Board of Trustees shall be made by voting, with each individual voting member having one vote. Subject to quorum requirements, a majority vote shall be determinative in respect of such decisions and actions. Subject to quorum requirements, any decision or action taken by the majority of voting members will represent the decision or action of the Trustee, and not any member of the Board of Trustees.

(g) ***Conflicts of Interest.*** With respect to any matter before the Board of Trustees, to the extent of a conflict of interest, whether actual, perceived or potential, involving a member of the Board of Trustees' personal interests and a matter concerning the Trust, such member shall abstain from voting on the matter or taking any other discretionary action on the matter. For the purposes of the foregoing, no member of the Board of Trustees shall be deemed to have a conflict by reason only that the member holds any office or position with an Electricity Distributor, social services agency or governmental or quasi-governmental agency or entity (such as the Independent Electricity System Operator); provided, however, that in relation to any decision of the Board of Trustees pertaining specifically to a particular Electricity Distributor, any member of the Board of Trustees who is a director, officer or employee of the Electricity Distributor would be expected to recuse himself or herself from participating in deliberations, discussions or voting in respect of such decision.

(h) ***Expense Reimbursements to Members of the Board of Trustees.*** Members of the Board of Trustees shall be entitled to reimbursement for and in respect of their out-of-pocket expenses reasonably incurred in discharging their duties and obligations as members of the Board of Trustees. Members of the Board of Trustees shall serve without compensation.

5.9 Confidentiality

Notwithstanding the resignation or removal and discharge from the trusts and powers reposed in and conferred on the Trustee by this Declaration, or the termination of this Declaration, the Trustee so resigning or removed shall continue to treat as confidential all information relating to the Trust, the Assets and the Beneficiaries and shall only be entitled to make disclosures concerning such information if disclosure is required in the performance of the functions of the resigning or removed Trustee or is ordered by a court of competent jurisdiction or is otherwise required by law. The Trustee shall not be responsible or liable to any Person for any loss or damage arising out of or in any way sustained or incurred in any way relating to any such required disclosure. The obligations arising under this section 5.9 shall survive the termination of the Trust.

5.10 Vesting in Successor Trustee

Any successor trustee (including any reconstituted Board of Trustees) shall automatically become vested with the Assets and with the same powers, rights, duties, responsibilities and trusts as if it, he or she had originally been named as Trustee under this Declaration, without the requirement of any further instrument or act or conveyance, and the Trustee ceasing to act shall execute all such transfers and other documents and do all such other acts or things as may be necessary or desirable to assign, transfer, deliver to, and vest in, the successor trustee, upon the trusts expressed in this Declaration, all the Assets and all the rights, powers and trusts of the Trustee ceasing to act. The expense of any act, document, deed or other instrument or thing required under this Section 5.10, including for greater certainty, outstanding fees and unreimbursed expenses of the Trustee (including any member of the Board of Trustees) ceasing to act, shall be satisfied from the Assets.

5.11 Execution of Instruments

The Trustee shall have the power to execute all deeds, transfers, agreements, promissory notes and other instruments on behalf of the Trust. Such power may be exercised by any one or more Administrative Services Agents acting in accordance with any delegated right to do so pursuant to an applicable Administrative Services Agreement or by any one or more Implementation Agents acting in accordance with any delegated right to do so pursuant to an applicable Implementation Agreement, and any such execution of instrument by an Administrative Services Agent, acting in such capacity as agent of the Trust pursuant to the terms and conditions of an Administrative Services Agreement or by an Implementation Agent acting in such capacity as agent of the Trust pursuant to the terms and conditions of an Implementation Agreement shall in each case be deemed to be a proper execution of such instrument by the Trustee and shall be binding for all purposes on the Trust.

5.12 Decisions by the Trustee

If there is more than one Trustee, decisions of the Trust may be made by a majority of Trustees eligible to vote on the applicable matter. Whenever the Trustees are unable to agree in relation to the commission or omission of any act or howsoever in the execution of the Trust, the decision of a majority of such Trustees shall prevail.

SECTION 6
AMENDMENTS AND SUPPLEMENTS

6.1 Amendments

Subject to the requirements of the Transfer Payment Agreement, the Trustee shall have the power in its sole and absolute discretion from time to time without the approval of any Beneficiary or any court to amend, vary, supplement, replace or restate this Declaration in its entirety or any portion thereof; provided, however that it is expected that any amendment shall be consistent with the intent of the principles set forth in the Principles Annex and with the intended scope and effect of the permitted delegations and activities of any Implementation Agent pursuant to the Permitted Delegations Annex. Without in any way limiting the foregoing, any such amendments, variations, supplements, replacements or restatements may:

(a) add provisions for the replacement of or appointment of additional trustees to act with the Original Trustee prior to the Original Trustee Replacement Date;

(b) in the case of the Original Trustee, add provisions to those contemplated in the Trustee Replacement Annex in respect of the appointment of the members and the formation and empowerment of the Board of Trustees;

(c) in the case of the Original Trustee, vary the terms and requirements applicable to the duties, responsibilities, obligations, liabilities, indemnities, protections, limitations, restrictions, compensation, expense reimbursements and such other matters, in each case as the Advisory Committee may indicate are necessary to be made in order to attract and receive confirmation of appointment of appropriately qualified individuals that the Advisory Committee specifies are to be appointed as members of the Board of Trustees in accordance with its recommendations;

(d) add additional or replace existing Trustees;

(e) add to or reasonably clarify the principles set forth in the Principles Annex;

(f) add to or reasonably clarify the delegations and activities contemplated to be made in the Permitted Delegation Annex;

(g) include provisions for the management of the Trust by the Trustees, including the making of rules, requirements and procedures governing the decision-making of the Board of Trustees;

(h) add provisions for the replacement of members of the Board of Trustees (in addition to those provisions contemplated in section 5.7 and the Trustee Replacement Annex);

(i) provide for the engagement of any Person or Persons as managers, administrators or other service providers to the Trust, including any additional or replacement Administrative Services Agent or Implementation Agent or representative thereof;

(j) specify supplemental procedures for the identification of Primary Beneficiaries and the exchange of information with Electricity Distributors in connection with identifying such Primary Beneficiaries; or

(k) specify procedures for the transfer and transmission of funds from the Trust or any Implementation Agent acting on its behalf and with delegated responsibility over funds constituting Assets, to or for the benefit of, Beneficiaries or their designated representatives, payees or assignees.

6.2 Supplemental Declarations

The Trustee is authorized to execute any supplemental declaration of trust (including one or more amendments and restatements from time to time of this Declaration) to give effect to amendments to this Declaration made pursuant to section 6.1.

SECTION 7
TERMINATION

7.1 Duration

Subject to sections 7.2 and 7.3, the Trust will continue in full force and effect so long as there are any Assets and until all of the debts, liabilities and obligations of the Trust have been paid and satisfied in full.

7.2 Termination and Distribution of Assets

The Trustee shall terminate the Trust and wind up its affairs as soon as practicable after the Final Distribution Date. In connection with the termination of the Trust, the Trustee shall identify the Residual Beneficiaries and distribute or cause to be distributed the remaining Assets, in cash or in kind or partly in each, to the Residual Beneficiaries, in each case in accordance with section 3.3. Despite the foregoing, the Trust will only be terminated and wound up after the Trustee, in its sole and absolute discretion, determines that all debts, liabilities and obligations of the Trust have been paid or otherwise adequately provided for and satisfied and upon receipt of such releases, indemnities and discharges as the Trustee, relying on the opinion of counsel, deems necessary for the protection of the Beneficiaries and for its own protection.

7.3 Distribution of Assets on Final Distribution Date

If the Trust holds Assets on the Final Distribution Date, the Trustee shall pay or provide reserves for the payment, and otherwise shall satisfy, all debts, liabilities and obligations of the Trust and shall provide or arrange to provide such investigations, audits, releases, indemnities and discharges as the Trustee, relying on the opinion of counsel, deems necessary for the protection of the Beneficiaries and for its own protection. Thereafter, any remaining Assets shall be paid to the Residual Beneficiaries in accordance with section 3.3.

SECTION 8
ACCEPTANCE OF TRUSTS

8.1 Acceptance of Trusts

The Trustee hereby accepts the trusts and duties contained in this Declaration and agrees to perform the same upon the terms and conditions hereof until discharged therefrom.

[Signature Page Follows]

The Trustee has executed this Declaration as of the date first written above.

COMPUTERSHARE TRUST COMPANY OF CANADA,

By: _____
Name: Morag Abraham
Title: Corporate Trust Officer

By: _____
Name: Ann Samuel
Title: Associate Trust Officer

PRINCIPLES ANNEX

The Trustee shall have regard to, but shall not be specifically bound by, the following principles in applying its discretion in relation to the administration of the Trust:

1. Identification of Primary Beneficiary Payees

1.1 Except in exceptional circumstances, a Primary Beneficiary would not be expected to receive a benefit from the Trust unless at the time of consideration it satisfies, in addition to the requirements contemplated in the definition of "Primary Beneficiary", each of the following criteria (the "**Selection Factors**"):

(i) it has a participant agreement with an applicable Electricity Distributor to undertake measures (its "**Energy Plan**") to improve the electricity efficiency and/or promote the conservation of electricity at its Ontario residence;

(ii) its Energy Plan involves one or more Eligible Measures, as may be designated by the Trustee from time to time from;

(iii) it confirms that:

1. the primary purpose of its Energy Plan is the conservation and efficient use by the Primary Beneficiary of electricity, and is not for the purposes of the Primary Beneficiary making a profit;

2. it would otherwise not have the financial resources to undertake the Eligible Measures included in its Energy Plan; and

3. it would otherwise not be eligible to receive amounts in respect of the Eligible Measures as a HAP Eligible Person;

(iv) it has demonstrated a need for financial assistance on the basis that its periodic electricity bills represent a financial burden, relative to its available financial resources; and

(v) such other criteria as the Trustee may determine, including based on the recommendations of Electricity Distributors or other knowledgeable Persons made on the basis and having regard to the delegations contemplated by the Permitted Delegations Annex or any applicable Implementation Agreement.

1.2 It is recognized that, in furthering the Purpose, an efficient basis upon which to allocate funds to the Primary Beneficiaries across different areas and regions within Ontario may be based on the areas and regions serviced by the Electricity Distributors operating within Ontario.

1.3 It would not be contrary to the Purposes if funds are made available by the Trustee to the Primary Beneficiaries unequally across different areas and regions within Ontario, and it is expected that in making such an unequal division it would be appropriate to have regard to:

(i) broad economic parameters of economic activity and the specific financial resources of the residents of the areas and regions, in each case as an indication of the relative need of such residents across the areas and regions;

(ii) electricity use and efficiency levels of residential electricity customers across the areas and regions;

(iii) specific regional indicators of economic weakness and need; and

(iv) such other factors as the Trustee may determine are relevant, including based on the submissions, advice and recommendations of Electricity Distributors or other knowledgeable Persons made on the basis and having regard to the delegations contemplated by the Permitted Delegations Annex or any applicable Implementation Agreement.

1.4 It is recognized that, in furthering the Purpose, the designated Electricity Distributor for an area or region in which a Primary Beneficiary resides would be expected to:

(i) be a reliable source for the purpose of assessing and confirming whether the Primary Beneficiary satisfies the Selection Factors;

(ii) be an efficient intermediary for the purpose of communicating with the Primary Beneficiary, including with respect to matters such as regarding the availability, terms, conditions and intended purposes of Program;

(iii) be able to facilitate an efficient payment of distribution determined to be made to or on behalf of the Primary Beneficiary, having regard to the Electricity Distributor's established practices, procedures and systems for dealing with its customers; and

(iv) have established contractual arrangements with the Primary Beneficiary that may apply to the protection and confidentiality of information provided by or respecting the Primary Beneficiary, which information may be useful in the consideration by the Electricity Distributor in its assessment of whether the Primary Beneficiary satisfies the Selection Factors, which information may not otherwise be available or readily accessible or verifiable by the Trustee.

1.5 It is recognized that, in furthering the Purpose, the Electricity Distributor for an area or region in which a Primary Beneficiary resides will have market and utilization information that may be useful in assessing the relative needs of Primary Beneficiaries within its area or region. Such information is expected to be relevant in assessing the extent to which one such Primary Beneficiary's financial needs and the merits of its Energy Plan are greater or more compelling than those of another such Primary Beneficiary, which comparison may be relevant to the extent that the funds allocable to the Primary Beneficiaries resident in the area or region are otherwise insufficient to meet the requests for funding by all such Primary Beneficiaries.

1.6 Accordingly, it is recognized that, in furthering the Purpose, it is consistent with the Purpose that the recommendations of Electricity Distributors be utilized and relied upon

by the Trustee to guide the process of identifying particular Primary Beneficiaries in making distributions to the Primary Beneficiaries.

1.7 If an Electricity Distributor for a particular area or region is unable or unwilling to assess or confirm the application of the Selection Factors to Primary Beneficiaries residing in the area or region or to make recommendations in relation to such matters, one or more of the following may provide a suitable alternative source of information and for information gathering, assessment and confirmation purposes in relation to such area or region:

(i) other Electricity Distributors operating in adjacent or other areas or regions in Ontario;

(ii) the Ontario Energy Board;

(iii) the Independent Electricity System Operator; and

(iv) anyone else having relevant expertise and access to information regarding the electricity market of the Province, in each case as may be considered relevant by the Trustee.

1.8 To the extent that privacy law or other legal requirements limit an Electricity Distributor from providing or making available specific information respecting the application of the Selection Factors to a particular Primary Beneficiary or group of Primary Beneficiaries, it is recognized that, in furthering the Purpose, it may be appropriate to redact or make generic affected information regarding such Primary Beneficiary in connection with the identification and confirmation of a Primary Beneficiary's eligibility and participation in the Program. If such limitations or restrictions would limit an Electricity Distributor from providing or confirming the name of a particular Primary Beneficiary to the Trustee, then it should be sufficient that such information may be obtained or disseminated on a confidential basis if and when required by the Trustee for the proper administration of the Trust and on that basis such impediments should not disqualify a Primary Beneficiary from participating in the benefits of the Program, provided that the confidential record-keeping of the Electricity Distributor would be available in connection with the application of any applicable legal process predicated on the identification of such Primary Beneficiary for the purposes of substantiating its rights as a Primary Beneficiary of the Trust or as to the validity or subsistence of the Trust.

2. Eligible Measures

2.1 It is expected that the Trust will identify eligible measures that, taking into consideration the principles set forth in the Principles Annex, have regard to the following (the "**Measures Factors**"):

(i) is the measure generally expected to result in reduced electricity consumption by a Primary Beneficiary if properly installed and used;

(ii) is the measure recognized under another Provincial program as being appropriate for achieving electricity conservation among a population analogous to the Primary Beneficiaries;

(iii) does the measure present any unacceptable health or safety considerations, either with respect to the Primary Beneficiary, a party providing or installing the measure, or the physical environment;

(iv) is the measure broadly available to residents across different areas and regions of the Province; or

(v) is the measure a requirement or precursor to another measure, the other measure being one which meets any of the other Measures Factors.

2.2 In identifying and applying the Measures Factors, Electricity Distributors would be expected to have expertise in assessing the suitability of efficiency and conservation measures in their respective areas and regions, which may differ across areas and regions across the Province based on factors (among other things) such as the climate, geography, density, electricity infrastructure, residential structures, and electricity use rates applicable within such areas or regions.

2.3 The measures specified in Schedule A to this Principles Annex may initially be considered to be consistent with the Measures Factors (subject to change as contemplated under the Permitted Delegations Annex).

3. Promotion of the Program

3.1 It is expected that the Trustee will undertake or engage others to undertake diligent efforts to promote the availability, terms and benefits of the Program to Primary Beneficiaries, including by establishing consistent communications through the Electricity Distributors.

3.2 It is expected that the Trustee will acknowledge the financial support of the Province in connection with the establishment and the funding for the Program, including in any external communications to or marketing directed at the Electricity Distributors and the Primary and Residual Beneficiaries. In the Trustee's delegation of any duties or powers to the Electricity Distributors through Implementation Agreements it is expected that Electricity Distributors will acknowledge the financial support of the Province in connection with the program including in any communications or marketing to Primary Beneficiaries.

4. Conduct of the Trust and the Program

4.1 It is expected that administrative expenses of the Board of Trustees and its members, including any expenses relating to the Trust, to the establishment of the Trust and any expenses related to the implementation and operation of the Program, including by or through Electricity Distributors and other relevant entities, will be recognized and subject to reimbursement on a basis that is substantially consistent with the accountability principles set out in Schedule B to this Principles Annex.

4.2 The Trustee is expected to conduct its activities in a manner that complies in all material respects with the Transfer Payment Agreement, including to:

(i) act prudently and in furtherance of the Purpose;

(ii) report not less frequently than annually the results of its activities for information purposes to the Province in connection with the Program;

(iii) comply with the Province's request for any independent verification or audit if determined to be necessary or appropriate by the Province;

(iv) return Assets that have not been distributed if it is determined that the Trustee has breached its Standard of Care in discharging its material duties under the Declaration, and has not cured such material breach despite having been given a reasonable opportunity by the Province to do so in light of the circumstances of such material breach, with the result that all or a significant part of the Assets have not been or are not being applied and distributed in furtherance of the Purpose or are being applied and distributed in a manner that is directly contrary or without regard to the Purpose.

4.3 Electricity Distributors are not intended to directly profit from distributions of funds made from the Trust, although it is recognized that the objectives of electricity efficiency and conservation of Primary Beneficiaries located in the service area or region of an Electricity Distributor, and the cost savings and improved credit worthiness of such Primary Beneficiaries, may be financially beneficial to the Electricity Distributor.

4.4 Distributions from the Trust are intended to allow receiving Primary Beneficiaries to undertake Eligible Measures at no or minimal personal cost.

4.5 Without in any way limiting the discretion of the Board of Trustees to extend the period during which the benefits of the Program may be available to the Primary Beneficiaries, up to and including the Final Distribution Date, it is expected that the Trust Assets would be distributed to Primary Beneficiaries during the period from the Original Trustee Replacement Date to April 30, 2019.

SCHEDULE A TO THE PRINCIPLES ANNEX
INDICATIVE ELIGIBLE MEASURES[1]

Initial Specified Measures
Block Heater Timer (just timer) – rated for outdoor use, have at least a 15 amp/1800 watt capacity, be cold weather resistant, bear a C-UL or CSA certification mark
Power bar with integrated timer, and switched power outlets, four each for a total of 8 outlets, have a total capacity of 15 amps. The switched outlets must remain "live", independent of timer settings, so long as the power bar itself remains switched on. The power bar must bear either a C-UL or CSA certification mark.
Efficient Showerheads (standard) - rated at no more than 4.8 Lpm (1.25 U.S. gpm) and be of the laminar flow type (non-aerating).
Efficient Showerhead (handheld) - rated at no more than 4.8 Lpm (1.25 U.S. gpm) and be of the laminar flow type (non-aerating).
Efficient Aerators (kitchen) - rated no more than 5.7 Lpm (1.5 U.S. gpm), dual threaded to allow installation in both thread type faucets, swivel type with pause lever.
Efficient Aerators (bathroom) - rated no more than 3.8 Lpm (1.0 U.S. gpm), be dual threaded to allow installation in both thread type faucets.
Hot Water Tank Pipe Insulation - $^1/_2$" inside diameter – foam, meets ASTM –C547-00, minimum $^3/_4$" thick
Hot Water Tank Pipe Insulation - $^3/_4$ " inside diameter - – foam, meets ASTM –C547-00, minimum $^3/_4$" thick
Hot Water Tank Insulation - fibreglass R10 (fits up to a 60 gal tank) – not bubble wrap
≤11W ENERGY STAR® Qualified LED A Shape (60W) (minimum 600 Lumen output) (Formerly: 7W – 11W ENERGY STAR® Qualified LED A Shape (60W))

[1] These measures are indicative. Eligible measures added to HAP during the administration of the Trust may also be appropriately considered relevant by the Trustee.

Initial Specified Measures
≤14W ENERGY STAR® Qualified LED A Shape (75W) (minimum 800 Lumen output) (Formerly: 10W – 14W ENERGY STAR® Qualified LED A Shape (75W))
≤23W ENERGY STAR® Qualified LED A Shape (100W) (minimum 1600 Lumen output) (Formerly:17W – 23W ENERGY STAR® Qualified LED A Shape (100W))
≤16W ENERGY STAR® Qualified LED PAR 20 (minimum 600 Lumen output) (Formerly: 8W – 12W ENERGY STAR® Qualified LED PAR 20)
≤16W ENERGY STAR® Qualified LED PAR30 & PAR38 (minimum 600 Lumen output) (Formerly: 8W – 12W ENERGY STAR® Qualified LED PAR 30)
≤23W ENERGY STAR® Qualified LED PAR (minimum 1100 Lumen output) (Formerly: 14W – 18W ENERGY STAR® Qualified LED PAR 38)
≤6W ENERGY STAR® Qualified LED MR 16 / PAR 16 (minimum 250 Lumen output) (Formerly: 7W – 10W ENERGY STAR®
Qualified LED MR 16 / PAR 16 - GU 10 Base)
≤11W ENERGY STAR® Qualified LED MR 16 (minimum 400 Lumen output) (Formerly: 7W – 12W ENERGY STAR® Qualified LED MR 16 GU 5.3 Base)
ENERGY STAR® LED Wet Location Rated PAR lamp ≤ 23 Watt (minimum 1100 Lumen output)
Recessed Downlight Fixture including LED with Light Output >600 and <800 lumens (Retrofit Measure List)
Recessed Downlight Fixture including LED with Light Output >800 lumens (Retrofit Measure List)
Indoor Drying Rack

Extended Measures
Replace refrigerator with ENERGY STAR qualified refrigerator - 15.5 - 16.9 cubic foot top freezer, automatic defrost, refrigerator/ freezer, no through the door ice service
Replace refrigerator with ENERGY STAR qualified refrigerator - 17.0 - 18.4 cubic foot top freezer, automatic defrost, refrigerator/ freezer, no through the door ice service
Replace refrigerator with a refrigerator that has a consumption level of less than 425 kwh, 10 – 12.5 cubic foot top freezer, automatic defrost, refrigerator freezer, no through the door ice service
Replace freezer with ENERGY STAR qualified freezer - 12-14.4 cubic foot freezer
Replace freezer with ENERGY STAR qualified freezer - 14.5 - 16.0 cubic foot freezer
Replace existing window air conditioner with ENERGY STAR qualified window air conditioner - 6,000 – 7,999 BTU/hr with C-UL or CSA certification mark
Replace existing window air conditioner with ENERGY STAR qualified window air conditioner - 8,000 – 9,999 BTU/hr with C-UL or CSA certification mark
Replace existing window air conditioner with ENERGY STAR qualified window air conditioner - 10,000 – 12,000 BTU/hr with C-UL or CSA certification mark
Replace existing dehumidifier with ENERGY STAR qualified portable dehumidifier - 14.2 - 21.2 l/day (30-44.9 pints/day) dehumidifier
Replace existing dehumidifier with ENERGY STAR qualified portable dehumidifier - 21.3 - 25.4 l/day (45-53.9 pints/day) dehumidifier
Replace existing dehumidifier with ENERGY STAR qualified portable dehumidifier - 25.5 - 35.5 l/day (54-75 pints/day) dehumidifier
Programmable Thermostat – line voltage – meets CAN/CSA-C828-06 standard, minimum performance: Droop: 1.5°C, Differential: 0.5°C, Precision 0% within 0.5°C of the original set point of 22°C
Programmable Thermostat – low voltage - meets CAN/CSA-C828-06 standard, minimum performance: Droop: 1.5°C, Differential: 0.5°C, Precision 0% within 0.5°C of the original set point of 22°C

Weatherization Measures
Comprehensive Draft proofing (caulking, foam and weather stripping, and application of same) – lifespan of 20 years plus If one or two component polyurethane foams are used, the products and installations must conform to: • CAN/ULC-S710.1 Standard For Thermal Insulation – Bead Applied One-Component Polyurethane Air Sealant Foam, Part 1: Material Specification. • CAN/ULC-S710.2 Standard For Thermal Insulation – Bead Applied One-Component Polyurethane Air Sealant Foam, Part 2: Application. • CAN/ULC-S711.1 Standard for Thermal Insulation – Bead Applied Two-Component Polyurethane Air Sealant Foam, Part 1: Material Specification • CAN/ULC-S711.2 Standard for Thermal Insulation – Bead Applied Two-Component Polyurethane Air Sealant Foam, Part 1: Material Specification, and Part 2: Application. **Attic Insulation (including installation):**
cellulose: CAN/ULC-S703-01 Amendment 1 - Cellulose Fibre Insulation (CFI) for Buildings OR 2) Mineral Fibre: CAN-ULC-S702-97-EN Standard for Thermal Insulation Mineral Fibre

Weatherization Measures
for Buildings **Wall Insulation (including installation):**
cellulose: CAN/ULC-S703-01 Amendment 1 - Cellulose Fibre Insulation (CFI) for Buildings OR 2) Mineral Fibre: CAN-ULC-S702-97-EN Standard for Thermal Insulation Mineral Fibre **Basement Insulation (including installation):**
mineral fibre: CAN-ULC-S702-97-EN Standard for Thermal Insulation Mineral Fibre for Buildings Vapour Barrier: 69009-CAN/CGSB-51.34-m86 If one or two component polyurethane foams are used, the products and installations must conform to: • CAN/ULC-S710.1 Standard For Thermal Insulation – Bead Applied One-Component Polyurethane Air Sealant Foam, Part 1: Material Specification. • CAN/ULC-S710.2 Standard For Thermal Insulation – Bead Applied One-Component Polyurethane Air Sealant Foam, Part 2: Application. • CAN/ULC-S711.1 Standard for Thermal Insulation – Bead Applied Two-Component
Polyurethane Air Sealant Foam, Part 1: Material Specification • CAN/ULC-S711.2 Standard for Thermal Insulation – Bead Applied Two-Component Polyurethane Air Sealant Foam, Part 1: Material Specification, and Part 2: Application.

Heat Pumps (Selection of manufacturers and technologies to meet the US federal minimum efficiency standard for ASHPs, as of 2015, is 13.0 SEER and 7.7 HSPF. Energy Star–certified models offer roughly 9 percent more efficiency than most new uncertified ASHPs and 20 percent more efficiency than existing models that may be in place)
Ductless Multiport Heat Pump
Cold Climate Ductless Heat Pump
Cold Climate Multiport Ductless Heat Pump
Cold Climate Ducted Heat Pump

SCHEDULE B TO THE PRINCIPLES ANNEX
PRINCIPLES APPLICABLE TO EXPENSE REIMBURSEMENTS

1. Funds should be used prudently and responsibly with a focus on accountability and transparency.

2. Expenses for travel, meals and hospitality support the Purpose.

3. Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety.

4. Legitimate authorized expenses incurred during the course of furthering the Purpose may be reimbursed.

5. Best practices should be followed, including:

    a. Prior approval to incur expenses is appropriately obtained.

    b. Other options for meetings are always considered before travel is approved, including audio or video conferencing.

    c. Corporate travel cards are to be used for authorized business travel and business related expenses.

PERMITTED DELEGATION ANNEX

1. Under section 4.2(g) of the Declaration, the Trustee has the power to: (a) appoint, employ or retain Implementation Agents for the purpose of discharging its duties and obligations under the Declaration; and (b) enter into, perform, enforce and amend Implementation Agreements.

2. In accordance with section 4.2(g) of the Declaration, consistent with the principles set forth in the Principles Annex, the Trustee or its agent will seek to enter into one or more Implementation Agreements with individual Electricity Distributors under which the Electricity Distributors will act as Implementation Agents to the Trustee. In this manner, the Trustee will delegate certain of its powers and duties to the Electricity Distributors.

3. Under section 5.1 of the Declaration, to the extent the Trustee has delegated any of its duties or powers, it shall be deemed to have satisfied the Standard of Care in respect of the subject matter of such delegation, subject to the Trustee's overall duty to exercise prudent oversight thereof. The Trustee is entitled to rely on an Electricity Distributor to discharge the duties delegated to it, as Implementation Agent, pursuant to an Implementation Agreement as described in this Annex.

4. Accordingly, and without limiting the Trustee's right to delegate under the Declaration and its other rights, powers and discretion as Trustee, the Trustee will be permitted to, and is expected to seek to, enter into Implementation Agreements with Electricity Distributors in order to further the Purpose. Without limiting the Trustee's discretion to negotiate and settle the terms and conditions of such Implementation Agreements, it is expected that such Implementation Agreements will include customary terms and conditions for arrangements of this type and, in addition, would (subject to the acceptance and agreement of the applicable Electricity Distributor counterparty) address the following points in particular:

    a. **Identification of Applicable Primary Beneficiary Payees and Determination of Individual Distribution Amounts**

        i. Each Electricity Distributor would make an initial assessment of the financial needs of Primary Beneficiaries within its designated service area or region, having regard to the Selection Factors set forth in section 1.3 of the Principles Annex, together with applicable economic data, in order to prepare and provide to the Trustee an estimate of the number of Primary Beneficiaries who the Electricity Distributor reasonably expects would satisfy the Selection Factors.

        ii. Each Electricity Distributor would make an initial assessment of the measures it would recommend be included as Eligible Measures, having regard to the Measures Factors set forth in section 2.1 of the Principles Annex, in order to prepare and provide to the Trustee an estimate of the average cost per Primary Beneficiary Payee (as defined below) of such Eligible Measures that the Electricity Distributor reasonably expects would apply in respect of Primary Beneficiaries resident in its service area or region.

        iii. Based on the product of (i) and (ii), above, and such other considerations as it considers to be directly relevant, each Electricity Distributor would make a

written recommendation to the Trustee regarding the aggregate funding amount that the Electricity Distributor anticipates would be utilized under the Program by the Primary Beneficiaries resident in its service area or region (the "**Local Funding Estimate**"). Such recommendation would be accompanied, when submitted to the Trustee, by a detailed explanation regarding the assumptions, financial parameters, suitability considerations and other information underlying the Local Funding Estimate (including the type of information contemplated by the Selections Factors and the Measures Factors) which would be relied upon by the Trustee in its assessment regarding the allocation of available funding to or for the benefit of the Primary Beneficiaries across the specified areas and regions of Ontario.

iv. The Trustee would inform the Electricity Distributor regarding the aggregate of the amount determined by the Trustee to be made available under the Program for Primary Beneficiaries in the Electricity Distributor's designated service area or region (for each Electricity Distributor, its "**Maximum Electricity Distributor Allocation**") and as to any maximum amount that may be paid to or for the benefit of any single Primary Beneficiary located in the service area or region of the Electricity Distributor (the "**Maximum Primary Beneficiary Amount**"). The Maximum Electricity Distributor Allocation and Maximum Primary Beneficiary Amount may vary between areas and regions, among the Primary Beneficiaries within such areas and regions, and may be increased by the Trustee from time to time in its discretion.

v. Each Electricity Distributor would apply the principles set forth under "Identification of Primary Beneficiary Payees" in the Principles Annex to identify and make recommendations to the Trustee regarding the amount of funds (if any) to be distributed to or for the benefit of Primary Beneficiaries resident within its service area or region from time to time (the "**Primary Beneficiary Payees**").

vi. Each Electricity Distributor would ensure that the aggregate of the amounts it recommends be distributed to or for the benefit of Primary Beneficiary Payees from time to time does not exceed (1) its Maximum Electricity Distributor Allocation and (2) for any single Primary Beneficiary located in the service area or region of the Electricity Distributor, the lesser of (x) the applicable Maximum Primary Beneficiary Amount and (y) the estimated costs (including any applicable taxes, but excluding any amount payable to the Electricity Distributor by or on behalf of the Primary Beneficiary) to be incurred by or on behalf of such Primary Beneficiary (whether or not such costs have been paid or remain outstanding) in respect of Eligible Measures applied or to be applied in respect of the Primary Beneficiary's Ontario residence.

vii. The Trustee would provide written confirmation to each Electricity Distributor:

1. Either (x) that the recommendations specified of the Electricity Distributor in clause (v), above, have been accepted, or (y) as to the specific reasons for any non-acceptance; and

2. The amount of the distributions to be paid to or for the benefit of each Primary Beneficiary Payee that is resident in the Electricity Distributor's service area or region.

viii. With respect to each Primary Beneficiary resident in a Electricity Distributor's service area or region that is confirmed as a Primary Beneficiary Payee, the Electricity Distributor would provide the Trustee written confirmation as to:

1. The identity of such Primary Beneficiary Payee; and

2. The amount of the distribution paid to or for the benefit of such Primary Beneficiary Payee.

ix. If the amount of a distribution to be made to a Primary Beneficiary Payee is based on the estimated costs to be incurred by or on behalf of such Primary Beneficiary and, prior to making the distribution to the Primary Beneficiary Payee, the Electricity Distributor determines that the actual costs (including any applicable taxes but excluding any amount payable to the Electricity Distributor by or on behalf of the Primary Beneficiary) incurred or to be incurred by or on behalf of such Primary Beneficiary in respect of Eligible Measures applied or to be applied in respect of the Primary Beneficiary's Ontario residence has or would be less than such estimated costs, then the amount to be distributed to the Primary Beneficiary shall be based on such actual costs.

b. **Making of Distributions to Primary Beneficiaries**

i. It is expected that promptly after the Trustee confirms the identity of a Primary Beneficiary Payee resident in an Electricity Distributor's service area or region and the amount of the distribution to be paid to or for the benefit of such Primary Beneficiary Payee, the Trustee would arrange for payment to or on the direction of the Electricity Distributor of an amount equal to the amount of such distribution.

ii. It is expected that promptly upon receipt of funds in respect of a distribution to be made to a Primary Beneficiary Payee, the Electricity Distributor would arrange for payment of the full amount of such distribution to or for the benefit of the Primary Beneficiary Payee (including by direct payment to a third party of, or as a reimbursement or rebate of, the costs of applicable Eligible Measures installed at the residence of and for the benefit of the Primary Beneficiary Payee), without reduction or set-off by the Electricity Distributor.

iii. If the amount paid to an Electricity Distributor in respect of a distribution to be made to a Primary Beneficiary exceeds the actual amount of the

distribution made to or on behalf of the Primary Beneficiary, it is expected that the Trustee would require Electricity Distributor to return such excess to the Trustee, whereupon the proceeds of such returned amount shall continue to form part of the Assets.

c. **Establishment of Operational, Administrative, Record-Keeping and Other Systems and Policies by Electricity Distributors to facilitate the Program**

i. It is expected that the Electricity Distributor would establish such operational, administrative, record-keeping and other systems and policies as are necessary to facilitate the Program and perform its duties under the Implementation Agreement, including systems or policies to: identify Primary Beneficiary Payees; comply with applicable privacy and regulatory laws; communicate with Primary Beneficiaries on behalf of the Trust; assess Eligible Measures; determine the Local Funding Estimate; monitor its recommendations to the Trustee against its Maximum Electricity Distributor Allocation and the Maximum Primary Beneficiary Amount; receive funds from the Trust in respect of distributions to the Primary Beneficiary Payees and transfer such funds to the appropriate recipients for the benefit of the Primary Beneficiary Payees; preparation and timely delivery to Primary Beneficiary Payees of such documents as are required by the *Income Tax Act* (Canada); and create and maintain records in respect of the foregoing.

ii. The Electricity Distributor would set up a separate bank account for the purpose of receiving funds from the Trust in respect of distributions to the Primary Beneficiary Payees and the transfer of such funds to the appropriate recipients for the benefit of the Primary Beneficiary Payees.

d. **Reporting, Record-Keeping, Inspection and Disclosure and Compliance Matters**

i. The Electricity Distributor would provide record-keeping, clerical and bookkeeping services relating to all matters relating to its recommendations and the performance of its other duties and obligations under its Implementation Agreement.

ii. The Electricity Distributor would keep and maintain all financial records and non-financial documents and records relating to the provision of services under its Implementation Agreement.

iii. The Electricity Distributor would provide to the Trustee quarterly and annual reports ("**Reports**") for the duration of its Implementation Agreement. Such Reports would set out, among other things, the amounts of the distributions paid to or for the benefit of applicable Primary Beneficiary Payees, the average distribution amount per such Primary Beneficiary Payee, the Eligible Measures for which distributions have been made, and the uptake of energy efficiency measures.

iv. The Electricity Distributor would agree to provide to the Trustee such information as is necessary for the Trustee to (v) comply with applicable law;

(w) prepare financial statements for the Trust; (x) prepare and submit such documents as are required under the *Income Tax Act* (Canada); (y) comply with the Trust's applicable obligations under the Transfer Payment Agreement; and (z) such other matters as the Trustee reasonably requests.

v. The Trustee, its authorized representatives or an independent auditor would be permitted to, at its own expense, on twenty-four hours' notice to the Electricity Distributor and during normal business hours, inspect the records of and information respecting the Electricity Distributor to confirm its compliance with the Implementation Agreement, including regarding its processes for recommending the Primary Beneficiary Payees and their respective distribution amounts and regarding the delivery of Trust funds on behalf of the Trustee to or for the benefit of the Primary Beneficiary Payees.

e. **Standard of Care**

i. The Electricity Distributor would be required to agree to perform its duties provided under the Implementation Agreement exercising the degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances.

ii. In performing its duties under the Implementation Agreement (including the recommending of Primary Beneficiary Payees to the Trustee), the Electricity Distributor would be required to agree to seek to avoid actual, potential or perceived conflicts of interest.

iii. The Electricity Distributor would be required to agree that it would not, in performing its obligations under the Implementation Agreement, take any action which it knows or ought reasonably to know would cause the Trustee or the Trust to be in violation of any law, rule or regulation applicable to it.

f. **Expenses**

The Electricity Distributor would be eligible to receive reasonable compensation and reimbursement of its actual out-of-pocket costs associated with the performance of its duties and obligations under the Implementation Agreement, subject to adherence with the accountability principles set out in Schedule B to the Principles Annex. Such compensation amounts and reimbursement entitlements would be specified in the Implementation Agreement.

g. **Representations**

The Electricity Distributor would make customary representations to the Trust regarding, among other things, its legal capacity; authorization; non-contravention of law or material contract to which it is a party; and the enforceability of the Implementation Agreement.

h. **Indemnification**

The Electricity Distributor would be required to agree to provide customary indemnities to the Trust and the Trustee from and against claims, damages and liabilities which the Trust or Trustee may suffer or incur as the result of any breach of the Implementation Agreement by the Electricity Distributor or its representatives.

TRUSTEE REPLACEMENT ANNEX

1. The Advisory Committee shall consist of the following individuals:

   Brian Bentz, President and Chief Executive Officer at Alectra

   Bryce Conrad, President and Chief Executive Officer at Hydro Ottawa

   Robert Mace, President and Chief Executive Officer at Thunder Bay Hydro

   Ferio Pugliese, Executive Vice President Customer Care and Corporate Affairs at Hydro One

   Terry Young, Vice President Conservation and Corporate Relations at the Independent Electricity System Operator

2. In the event any member of the Advisory Committee resigns or is unable to act, it is expected that the remaining members of the Advisory Committee would appoint another resident of Ontario as a replacement.

3. On or before May 31, 2017, the Advisory Committee shall identify six residents of Ontario who have expressed that they are willing to act as members of the Board of Trustees and who, individually and collectively, satisfy the following criteria (collectively, the "**Selection Factors**"):

   a) each member demonstrates an understanding of the electricity sector including the electricity distribution sector;

   b) each member demonstrates an expertise in conservation and low income programs;

   c) three of the identified individuals will be representatives from separate electricity distributors, two individuals will be representatives from separate social services agencies and one individual member, who will be a non-voting member, will be an employee or representative of the Government of Ontario; and

   d) it is expected that representation by the Government of Ontario will be non-controlling.

4. If the Advisory Committee determines that changes to the Declaration (including to this Trustee Replacement Annex) are necessary in order to (a) replace, or appoint additional trustees to act with, the Original Trustee prior to the Original Trustee Replacement Date or (b) attract and receive confirmation of appointment of appropriately qualified individuals that the Advisory Committee believes would be suitable candidates to serve as members of the Board of Trustees, the Advisory Committee shall make recommendations regarding such necessary changes, including without limitation in respect of (i) any necessary limitations on the nature or scope of the appointment of the members of the Board of Trustees, (ii) the formation and empowerment of the Board of Trustees, and (iii) the duties, responsibilities, obligations, liabilities, indemnities, protections, limitations, restrictions,

compensation, expense reimbursement entitlements of members of the Board of Trustees.

5. The Advisory Committee shall recommend that the Original Trustee appoint the individuals so identified to become the initial members of the Board of Trustees pursuant to section 5.7 of the Declaration.

6. If any of the individuals recommended under paragraph 4 or under this paragraph are not accepted and appointed by the Original Trustee pursuant to section 5.7 of the Declaration, the Advisory Committee shall forthwith identify and recommend an alternative individual or individuals willing to act and whose presence as a member of the Board of Trustees would result in the Trustee collectively satisfying the criteria in paragraph 3 above.

7. Upon the appointment of six trustees (five voting and one non-voting) pursuant to section 5.7 of the Declaration, the Advisory Committee will be functus.