ONTARIO TRANSFER PAYMENT AGREEMENT

THE AGREEMENT, effective as of the 23rd day of March, 2017 (the **"Effective Date"**)

B E T W E E N :

Her Majesty the Queen in right of Ontario
as represented by the Minister of Energy

(the "Province")

- and -

Computershare Trust Company of Canada, in its capacity as trustee of Affordability Fund Trust

(together with its successors and assigns, the "Recipient" and, together with the Province, the "Parties")

BACKGROUND

Computershare Trust Company of Canada is the original trustee of the Affordability Fund Trust.

The Province wishes to provide Funds to the Recipient to be held, invested, applied and distributed in accordance with the terms of the Declaration of Trust (defined below), in furtherance of the Purpose (as defined in the Declaration of Trust), including having regard to the Principles set forth in Annex A.

CONSIDERATION

In consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged, the Parties agree as follows:

ENTIRE AGREEMENT

This agreement (as amended, restated, supplemented or otherwise modified from time to time, the **"Agreement"**), including:

Schedule "A" - General Terms and Conditions
Schedule "B" - Project Specific Information
Schedule "C" - Project - Certain Obligations of the Recipient
Schedule "D" - Budget
Schedule "E" - Payment Plan
Schedule "F" - Reporting
Annex "A" - Principles, and
any amending agreement entered into as provided for below,

constitutes the entire agreement between the Parties with respect to the subject matter contained in this Agreement and supersedes all prior oral or written representations and agreements.

COUNTERPARTS

The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

AMENDING THE AGREEMENT

The Agreement may only be amended by a written agreement duly executed by the Parties.

ACKNOWLEDGEMENT

The Recipient:

(a) acknowledges that it has read and understands the provisions contained in the entire Agreement; and

(b) agrees to be bound by the terms and conditions contained in the entire Agreement.

IN WITNESS WHEREOF, the Parties have executed the Agreement on the dates set out below.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by Minister of Energy

by: ______________________

Date ______________

Name: Serge Imbrogno

Title: Deputy Minister

Authorized Signing Officer

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of AFFORDABILITY FUND TRUST

by: Morag Abraham

March 23, 2017
Date

Name: Morag Abraham

Title: Corporate Trust Officer

by: [signature]

MARCH 23, 2017
Date

Name: Ann Samuel

Title: Associate Trust Officer

I/We have authority to bind the Recipient.

SCHEDULE "A"
GENERAL TERMS AND CONDITIONS

1.0 INTERPRETATION AND DEFINITIONS

1.1 Interpretation. For the purposes of interpretation:

(a) words in the singular include the plural and vice-versa;

(b) words in one gender include all genders;

(c) the headings do not form part of the Agreement; they are for reference only and will not affect the interpretation of the Agreement;

(d) any reference to dollars or currency will be in Canadian dollars and currency;

(e) "include", "includes" and "including" denote that the subsequent list is not exhaustive;

(f) where any reference is made in the Agreement to an act to be performed by or for or on behalf of the Affordability Fund 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 Recipient in its capacity as trustee of the Affordability Fund Trust, and, where any reference is made in the Agreement to an act to be performed by or for or on behalf of the Recipient, 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 Recipient in its capacity as trustee of the Affordability Fund Trust; and

(g) it is intended that the transfer of the Funds to the Recipient will be a transfer made to a trust that is not controlled by the Province (as the term "control" is used in *Government Reporting Entity* at paragraphs PS 1300.07-.24), and so if a term or condition of the Agreement is determined to conflict with the requirements applicable to the Province recording the transfers to the Recipient of Funds contemplated hereunder as an expense incurred by the Province on the date of the transfer of Funds under the Agreement otherwise in connection with activities undertaken by the Province with such a non-controlled trust, then such term or condition shall be given a meaning and shall have an effect insofar as it is possible to interpret such term or condition in a manner that eliminates such conflict while preserving the other provisions of the Agreement and furthering the Purpose.

1.2 Definitions. In the Agreement, the following terms will have the following meanings:

"Administrative Services Agent" has the meaning given such term in the Declaration of Trust.

"Affordability Fund Trust" means the trust established and governed by the Declaration of Trust, and for greater certainty includes such trust operating under any other name that may be designated from time to time by the Recipient in accordance with the Declaration of Trust.

"BPSAA" means the Broader Public Sector Accountability Act, 2010 (Ontario).

"**Beneficiary**" has the meaning given to such term in the Declaration of Trust.

"Budget" means the Recipient's budget attached to the Agreement as Schedule "D".

"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.

"**Declaration of Trust**" means the declaration of trust made as of March 23, 2017, under which the Affordability Fund Trust was established, as such declaration of trust may be amended, restated, supplemented or otherwise modified from time to time with the consent of the Province in accordance with Section 20.2.

"Expiration Date" means the date on which this Agreement will expire and is the date set out in Schedule "B".

"Funds" means the money the Province provides to the Recipient pursuant to the Agreement.

"Implementation Agents" has the meaning given such term in the Declaration of Trust.

"Maximum Funds" means the maximum amount of Funds that the Province will provide the Recipient under the Agreement, as set out in Schedule "B".

"Notice" means any communication given or required to be given pursuant to the Agreement.

"Party" means either the Province or the Recipient.

"**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.

"**Program**" has the meaning given to such term in the Declaration of Trust.

"Project" means the undertaking described in Schedule "C".

"**Purpose**" has the meaning given to such term in the Declaration of Trust.

"PSSDA" means the *Public Sector Salary Disclosure Act, 1996* (Ontario).

"**Recipient**" means, initially, Computershare Trust Company of Canada, and any additional or replacement trustee in its capacity as trustee of the Affordability Fund Trust pursuant to the Declaration of Trust, including the Board of Trustees (as defined in the Declaration of Trust) and each of their respective successors and permitted assigns.

"Reports" means the reports described in Schedule "F".

2.0 REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 **General.** The Recipient represents, warrants and covenants that:

(a) it is the trustee of the Affordability Fund Trust; and

(b) the Affordability Fund Trust is, and will continue to be for the term of the Agreement, a trust existing under and governed by the laws of the Province of Ontario.

2.2 **Execution of Agreement.** The Recipient represents and warrants that it has:

(a) the full power and authority to enter into the Agreement; and

(b) taken all necessary actions to authorize the execution of the Agreement.

2.3 **Governance.** The Recipient covenants that it will develop and maintain in writing until the Agreement is no longer in effect:

(a) decision-making mechanisms and procedures to enable the Recipient to hold, invest, manage, apply and distribute the Funds in accordance with the Declaration of Trust in furtherance of the Purpose; and

(b) procedures to enable the preparation and delivery of all Reports required pursuant to Article 7.0.

2.4 **Supporting Documentation.** Upon request, the Recipient will provide the Province with proof of the matters referred to in this Article 2.0.

3.0 TERM OF THE AGREEMENT

3.1 **Term.** The term of the Agreement will commence on the Effective Date and will expire on the Expiration Date.

3.2 **Extension.** The term of the Agreement may be extended by further agreement between the Parties.

3.3 **Extension of the Declaration of Trust.** If the Province determines that an extension of the Final Distribution Date (as defined in the Declaration of Trust) and time for termination of the Declaration of Trust is consistent with and in furtherance of the Purpose and the Province's original intentions and expectations in establishing the Project, the Province may request that the Recipient extend such date to a date specified by the Province in a Notice (such date not to be later than December 31, 2021), whereupon the Recipient, so long as the Recipient does not have a reasonable basis to believe that such an extension would be inconsistent with the Purpose or weaken the protections intended for the benefit of the Recipient pursuant to the Declaration of Trust, will undertake such actions as it may consider to be necessary or appropriate to so extend the Declaration of Trust, including by amending the Declaration of Trust to provide for such an extension and to modify any other term or requirement as would be necessary or prudent to conform such term or requirement in light of such extension.

4.0 FUNDS AND CARRYING OUT THE PROJECT

4.1 **Funds Provided.** The Province will:

(a) provide the Recipient up to the Maximum Funds to be held, invested, applied and distributed in accordance with the terms of the Project and the Declaration of Trust;

(b) provide the Funds to the Recipient in accordance with the Payment Plan attached to the Agreement as Schedule "E"; and

(c) deposit the Funds into an account designated by the Recipient, provided that the account:

(i) resides at a Canadian financial institution; and

(ii) is in the name of the Recipient.

4.2 **Timing of Distributions to Beneficiaries.** The expectations of the Province regarding when Funds will begin to be distributed by the Recipient to Beneficiaries are set out in Schedule C. The Recipient will have regard to those expectations in the exercise of its discretion under the Declaration of Trust, in determining when Funds will be distributed to Beneficiaries in furtherance of the Purpose.

4.3 **Use of Funds and Project.** The Recipient will exercise its rights, duties and discretions under the Declaration of Trust so that the Funds are used, applied and distributed only for and in furtherance of the Purpose, including having regard to the Principles set forth in Annex A.

4.4 **Province's Role Limited to Providing Funds.** For greater clarity, the Province's role under the Agreement is limited to providing Funds to the Recipient and the Province is not responsible for carrying out or overseeing the terms of the Declaration of Trust.

4.5 **Maximum Funds.** The Recipient acknowledges that the Funds available to it pursuant to the Agreement will not exceed the Maximum Funds.

4.6 **Funding, Not Procurement.** For greater clarity, the Recipient acknowledges that:

(a) it is receiving funding from the Province for the Project and is not providing goods or services to the Province; and

(b) the funding the Province is providing under the Agreement is funding for the purposes of the PSSDA.

5.0 RECIPIENT'S ACQUISITION OF GOODS OR SERVICES, AND DISPOSAL OF ASSETS

5.1 **Acquisition.** If the Recipient acquires goods, services, or both with or by applying the proceeds of the Funds, it is expected to do so through a process that promotes the best value for money and to take reasonable steps to ensure that its Administrative Services Agents and Implementation Agents also follow a process that promotes the best value for money when acquiring goods and services with or by applying the proceeds of the Funds.

6.0 CONFLICT OF INTEREST

6.1 **No Conflict of Interest.** Except as expressly permitted by the Declaration of Trust, the Recipient is expected to implement appropriate processes and control to ensure that the Program and the use, application and distribution of the Funds are without an actual, potential or perceived conflict of interest.

6.2 **Conflict of Interest Includes.** For the purposes of this Article, a conflict of interest includes any circumstances where, except as expressly permitted by the Declaration of Trust:

(a) the Recipient; or

(b) any person who has the capacity to influence the Recipient's decisions,

has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Recipient's objective, unbiased and impartial judgment relating to the Project, or the Recipient's use, application or distribution of the Funds, or both.

7.0 REPORTING, ACCOUNTING AND REVIEW

7.1 **Preparation and Submission.** The Recipient will cooperate with the Province to accommodate the Province's on-going information and reporting objectives in order to enable the Province to be aware of the Recipient's activities in furtherance of the Purpose, and to that end the Recipient will be expected, from and following the Original Trustee Replacement Date, to:

(a) submit to the Province at the address referred to in Schedule "B", all Reports in accordance with the timelines and content requirements set out in Schedule "F", or in a form as specified by the Province from time to time, acting reasonably;

(b) submit to the Province at the address referred to in Schedule "B", any other reports as may be reasonably requested by the Province from time to time in accordance with the timelines and content expectations identified by the Province, acting reasonably;

(c) undertake diligent efforts so that such Reports and any such other reports are complete and accurate in all material respects; and

(d) have an authorized signatory of the Recipient sign-off on such Reports and other reports.

7.2 **Record Maintenance.** The Recipient will keep and maintain financial and other records necessary to permit it to satisfy its obligations under section 7.1 and to permit the Province to exercise its rights under section 7.3.

7.3 **Inspection.** The Province, its authorized representatives or an independent auditor identified by the Province may, at its own expense, upon twenty-four hours' Notice to the Recipient and during normal business hours, inspect the records of and information respecting the Recipient to confirm its compliance with the terms of this Agreement, including to ensure consistency with the Purpose and, for these purposes, the Province, its authorized representatives or an independent auditor identified by the Province may take one or more of the following actions:

(a) inspect and copy the records and documents referred to in section 7.2;

(b) keep any copies made pursuant to section 7.3(a); and

(c) conduct an audit or investigation of the Recipient in respect of the expenditure of the Funds to confirm that the Funds have been used, applied and distributed for and in furtherance of the Purpose, including a review of the Recipient's processes, records, documents, as well as the processes and controls applied to obtain assurance that Funds disbursed to Electricity Distributors were used, applied and distributed for and in furtherance of the Purpose.

7.4 **Disclosure.** To assist in respect of the rights set out in section 7.3, the Recipient will disclose any information requested by the Province, its authorized representatives or an independent auditor identified by the Province, and will do so in the form requested by the Province, its authorized representatives or an independent auditor identified by the Province, as the case may be.

7.5 **No Control of Records.** No provision of the Agreement will be construed so as to give the Province any control whatsoever over the Recipient's records.

7.6 **Auditor General.** For greater certainty, the Province's rights under this Article are in addition to and do not limit any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

8.0 COMMUNICATIONS REQUIREMENTS

8.1 **Publication.** The Recipient will acknowledge, in any of its Program-related external communications and marketing whether written, oral, or visual, the financial support of the Province in connection with the establishment and funding of the program, while noting that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Province.

9.0 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

9.1 **FIPPA.** The Recipient acknowledges that the Province is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Province in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

10.0 Intentionally Deleted

11.0 EVENT OF DEFAULT, CORRECTIVE ACTION AND TERMINATION FOR DEFAULT

11.1 Events of Default. An Event of Default will occur if:

(a) the Recipient fails to perform or observe any covenant in this Agreement and such failure has and continues to have a material adverse effect on the Province and remains unremedied during any Notice Period applicable under section 11.2 after the earlier of (i) actual knowledge thereof by the Recipient, or (ii) receipt by the Recipient of Notice thereof from the Province;

(b) any representation or warranty made by the Recipient in the Agreement shall prove to have been incorrect in any material respect when made or deemed made, and, if capable of remedy, continues to be incorrect in any material respect during any Notice period applicable under section 11.2 after the earlier to occur of (i) the actual knowledge thereof by the Recipient or (ii) receipt by the Recipient of Notice thereof from the Province;

(c) it is determined that the Recipient has breached its Standard of Care (within the meaning given in and context of the Declaration of Trust) in discharging its material duties under the Declaration of Trust, with the result that all or a significant part of the Funds have not been or are not being applied in furtherance of the Purpose or are being applied in a manner that is directly contrary or without regard to the Purpose, and, if such breach is capable of remedy, it continues and remains unremedied during any Notice Period (as defined in section 11.3) applicable under section 11.2 after the earlier of (i) actual knowledge thereof by the Recipient, or (ii) receipt by the Recipient of Notice thereof from the Province;

(d) an insolvency event shall have occurred and be continuing with respect to the Recipient.

11.2 Consequences of Events of Default and Corrective Action. If an Event of Default occurs, the Province may, at any time, take one or more of the following actions:

(a) provide the Recipient with Notice allowing the Recipient an opportunity to remedy the Event of Default during a specified Notice Period;

(b) seek an order of specific performance, including an order that the Recipient pursue its available remedies against third parties;

(c) require, by Notice of demand, that the Recipient transfer to the Province (without any need for compensation, indemnity or consideration to the Recipient or any Beneficiary or other third party) any and all Assets remaining in the possession or under the control of the Recipient that can reasonably be traced or attributed to the Funds after first providing for the completion and performance by the Recipient of any unperformed contractual obligations of the Recipient undertaken in compliance with the Declaration of Trust on or prior to transfer; and

(d) terminate the Agreement, including immediately, without liability, penalty or costs to the Province upon giving Notice to the Recipient.

The transfer of Funds in accordance with the Agreement is made by the Province with the expressed intention and reservation that the transferred Funds shall be returned to the Province and the entitlements of the Recipient in remaining Funds shall thereby be revoked with reversion thereof to the Province in the circumstances contemplated in Section 11.2(c).

11.3 Opportunity to Remedy. If, in accordance with section 11.2, the Province provides the Recipient with an opportunity to remedy the Event of Default, the Province will provide Notice to the Recipient of:

(a) the particulars of the Event of Default; and

(b) the length of time within which the Recipient may cure such Event of Default without the Province pursuing any other remedy (the "Notice Period").

11.4 Recipient not Remedying. If the Province has provided the Recipient with an opportunity to remedy the Event of Default pursuant to section 11.2(a), and:

(a) the Recipient does not remedy the Event of Default within the Notice Period;

(b) it becomes apparent to the Province that the Recipient cannot adequately remedy the Event of Default within the Notice Period; or

(c) the Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Province,

the Province may extend any Notice Period, or initiate any one or more of the actions provided for in section 11.2.

12.0 REPAYMENT

12.1 Debt Due. If, pursuant to the Agreement: the Province demands the payment of any Funds from the Recipient pursuant to section 11.2(c) such Funds or other amount will be deemed to be a debt due and owing to the Province by the Recipient, and the Recipient will pay or return the amount to the Province immediately, unless the Province directs otherwise.

12.2 Payment of Money to Province. The Recipient will pay any money owing to the Province by cheque payable to the "Ontario Minister of Finance" and delivered to the Province at the address referred to in Schedule "B".

12.3 Failure to Repay. Without limiting the application of section 43 of the Financial Administration Act (Ontario), if the Recipient fails to repay any amount owing under the Agreement, Her Majesty the Queen in right of Ontario may deduct any unpaid amount from any money payable to the Recipient by Her Majesty the Queen in right of Ontario.

13.0 NOTICE

13.1 Notice in Writing and Addressed. Notice will be in writing and will be delivered by email, postage-prepaid mail, personal delivery or fax, and will be addressed to the Province and the Recipient respectively as set out in Schedule "B", or as either Party later designates to the other by Notice.

13.2 Notice Given. Notice will be deemed to have been given:

(a) in the case of postage-prepaid mail, five Business Days after the Notice is mailed; or

(b) in the case of email, personal delivery or fax, one Business Day after the Notice is delivered.

13.3 Postal Disruption. Despite section 13.2(a), in the event of a postal disruption:

(a) Notice by postage-prepaid mail will not be deemed to be received; and

(b) the Party giving Notice will provide Notice by email, personal delivery or by fax.

14.0 SEVERABILITY OF PROVISIONS

14.1 Invalidity or Unenforceability of Any Provision. The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision will be deemed to be severed.

15.0 WAIVER

15.1 **Waivers in Writing.** If a Party fails to comply with any term of the Agreement, that Party may only rely on a waiver of the other Party if the other Party has provided a written waiver in accordance with the Notice provisions in Article 13.0. Any waiver must refer to a specific failure to comply and will not have the effect of waiving any subsequent failures to comply.

16.0 INDEPENDENT PARTIES

16.1 **Parties Independent.** The Recipient acknowledges that it is not an agent, joint venturer, partner or employee of the Province, and the Recipient will not represent itself in any way that might be taken by a reasonable person to suggest that it is, or take any actions that could establish or imply such a relationship.

17.0 ASSIGNMENT OF AGREEMENT OR FUNDS

17.1 **Agreement Binding.** All rights and obligations contained in the Agreement will extend to and be binding on the Parties' respective heirs, executors, administrators, successors and permitted assigns.

18.0 LIMITATION OF LIABILITY

18.1 This Agreement has been entered into by the Recipient solely in its capacity as trustee of the Affordability Fund Trust and is not binding on the Recipient in any other capacity, whether in tort, contract or otherwise. The Beneficiaries of the Affordability Fund Trust are not subject to any liability in respect of the Affordability Fund Trust. Resort may not be had to, nor recourse or satisfaction be sought from, the private property of the Recipient (whether owned by it in its personal capacity or in any other capacity other than in its capacity as trustee of the Affordability Fund Trust), its directors, officers, employees, or agents, or the private property of any Beneficiary, and resort will be had solely to the Assets (as defined in the Declaration of Trust) for the payment, performance or satisfaction of any liability or obligation of the Recipient under this Agreement. However, the foregoing limitations in this section shall not apply where the Recipient has demonstrated gross negligence, bad faith, fraud or wilful misconduct.

19.0 GOVERNING LAW

19.1 **Governing Law.** The Agreement and the rights, obligations and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

20.0 FURTHER ASSURANCES

20.1 **Agreement into Effect.** The Recipient will provide such further assurances as the Province may request from time to time with respect to any matter to which the Agreement pertains, and will otherwise do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

20.2 **Declaration of Trust.** The Recipient covenants that it shall not amend, restate or terminate the Declaration of Trust without obtaining the written consent of the Province in respect of same, such consent not to be unreasonably withheld or delayed.

21.0 JOINT AND SEVERAL LIABILITY

21.1 Joint and Several Liability. Without limiting and subject to section 18.1 and the Declaration of Trust, if the Recipient is comprised of more than one entity, all such entities will be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under the Agreement.

22.0 RIGHTS AND REMEDIES CUMULATIVE

22.1 Rights and Remedies Cumulative. The rights and remedies of the Province under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

23.0 ACKNOWLEDGEMENT OF OTHER LEGISLATION AND DIRECTIVES

23.1 Recipient Acknowledges. The Recipient acknowledges that by receiving Funds it may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the BPSAA, the PSSDA, and the *Auditor General Act* (Ontario).

24.0 SURVIVAL

24.1 Survival. The following Articles and sections, and all applicable cross-referenced sections and schedules, will continue in full force and effect for a period of seven years from the date of expiry or termination of the Agreement: Article 1.0 and any other applicable definitions, section, 4.5, section 7.1 (to the extent that the Recipient has not provided the Reports to the satisfaction of the Province), sections 7.2, 7.3, 7.4, 7.5, 7.6, Article 8.0, Article 12.0, Article 14.0, Article 16.0, Article 17.0, Article 19.0, Article 21.0, Article 23.0 and Article 24.0.

- END OF GENERAL TERMS AND CONDITIONS -

SCHEDULE "B"

PROJECT SPECIFIC INFORMATION

Maximum Funds	$100 million
Expiration Date	The date upon which the Affordability Fund Trust is terminated in accordance with the Declaration of Trust
Contact information for the purposes of Notice to the Province	**Attention: Usman Syed** **Position: Director** **Address: 77 Grenville St, Toronto, Ontario, M7A 2C1** **Fax: 416-325-6651** **Email: Usman.Syed@ontario.ca**
Contact Information for the purposes of Notice to the Recipient	**Attention: Manager, Corporate Trust Services** **Address: 100 University Ave., 11th Floor, Toronto, Ontario, M5J 2Y1** **Email: CorporateTrust.Toronto@computershare.com**

SCHEDULE "C"

PROJECT

For the purposes of this Agreement, the "Project" is the distribution of the Funds in accordance with the Declaration of Trust.

It is intended the Project will be undertaken by the Recipient in furtherance of the Purpose and in accordance with the Declaration of Trust. In this regard, it is expected that the Recipient will undertake the Program having regard to the Budget and the Principles set forth in Annex A.

The following are the Province's expectations regarding the circumstances in which the Recipient will begin to distribute any Funds to any Beneficiary.

1. The Original Trustee Replacement Date (as defined in the Declaration of Trust) will have occurred.

2. An Administrative Services Agreement (as defined in the Declaration of Trust) will have been entered into between the Recipient and Hydro One Limited under which Hydro One Limited shall provide specified administrative and other services on behalf of the Recipient.

3. Administrative procedures will have been developed and implemented under which Electricity Distributors (as defined in the Declaration of Trust) will be invited to assist with (a) the identification and selection of Primary Beneficiaries under the Declaration of Trust, (b) the determination of the amount of Funds to be distributed to particular Primary Beneficiaries, and (c) the distribution of Funds to or for the benefit of such Primary Beneficiaries (in each case substantially on the basis contemplated in the Permitted Delegations Annex).

4. The Recipient will have obtained 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. If requested, the Recipient will provide the Province (for its information purposes) with copies of the certificates of insurance and policies for such insurance coverage.

The Province recognizes that the foregoing may involve the Recipient entering into agreements as the Recipient considers to be necessary or expedient, including any required amendment or amendment and restatement of the Declaration of Trust. Funds may be expended to pay the expenses of the Recipient in completing these matters. The Recipient is requested to advise the Province through its quarterly reports on the status of the foregoing.

SCHEDULE "D"

Recipient's Budget

1. It is expected that the administrative expenses of the Recipient, including any administrative expenses of any Administrative Services Agents or any Implementation Agents or any other agents retained by the Recipient, relating to the establishment of the Affordability Fund Trust and addressing the Province's expectations as enumerated in Schedule "C" and any expenses related to the operation of the Affordability Fund Trust and the execution of the Project (including any reimbursable expenses incurred by any Administrative Services Agent or any Implementation Agent (as such terms are defined in the Declaration of Trust)), will be no greater than 10 percent of the total Project budget.

2. The only expenditures incurred by the Recipient that are eligible for reimbursement are actual (excluding HST) administrative overhead expenses incurred by or on behalf of the Recipient that directly related to the Recipient or the establishment of the Affordability Fund Trust.

4. Any expenses that have been or may be reimbursed by other parties should not be reimbursed from the assets of the Affordability Fund Trust.

5. It is expected any travel, meals and hospitality expenses by the Recipient will be consistent with the the accountability principles set out in Schedule B to the Principles Annex. For purposes of funding entities receiving funding from the Recipient, the following would not be considered eligible claims:

   - Alcohol
   - First-Class travel
   - Meals, snacks and beverages
   - Gratuities
   - Laundry or dry cleaning
   - Valet services
   - Dependent care
   - Home management
   - Personal telephone calls

6. In the event that the Recipient performs any procurements, it is expected that all procurements will reflect the principles of Ontario's Public Service Procurement Directive.

SCHEDULE "E"

PAYMENT PLAN

PAYMENT DATE	MAXIMUM FUNDS TO BE DISBURSED BY THE PROVINCE
Within 7 days of signing the Agreement	$ 100,000,000

SCHEDULE "F"

REPORTING

From and following the Original Trustee Replacement Date, Reports will be quarterly on the basis of the government's fiscal year starting at the execution of this Agreement and continuing until conclusion of the Agreement. Annual Reports will be on a fiscal basis starting at the execution of this Agreement and continuing until conclusion of the Agreement. Quarterly Reports and Annual Reports would be expected to be submitted to the Province within one month following the end of the reporting period that they represent. The Province expects that these Reports would be prepared to demonstrate the impact of the Province's funding and address the following:

- Quarterly Reports would include a report back on the trustee-developed performance management criteria. Initially, such Quarterly Reports would include details respecting:
    - Amounts disbursed by the Recipient in the previous quarter. It is expected that this information would be provided at the Electricity Distributor level and in the aggregate.
    - Total Affordability Fund investment income earned and accrued to date.
    - Key activities and achievements from the quarter, including the number of participant households per Electricity Distributor, average participant incentive cost per Electricity Distributor, and uptake of energy efficiency measures per Electricity Distributor.
    - Any challenges or modifications to the application, funding, or eligibility processes/rules of the Recipient.
    - Key activities planned for the upcoming quarter.
    - Details of any situation that a reasonable person might interpret as an actual, potential or perceived conflict of interest.
- Annual Reports would include a report back on the trustee-developed performance management criteria. Initially, such Annual Report would include details respecting:

- A description of an Electricity Distributor's application process and the criteria used by the Recipient to distribute funds.
- Any challenges identified by the Recipient or any Administrative Services Agent in achieving the Purpose and proposed solutions, if applicable.
- Lesson learned.
- Electricity Distributor and customer feedback.
- Amounts distributed to Beneficiaries or otherwise disbursed by the Recipient in the previous year. It is expected that this information will be provided by each Electricity Distributor.
- Key activities and achievements from each quarter being reported, including number of participant households per Electricity Distributor, average participant incentive cost per Electricity Distributor, and uptake of energy efficiency measures per Electricity Distributor.
- Total Affordability Fund interest earned and accrued to date.

As part of an Annual Report, the Recipient would also provide the Province with an audited financial statement for the previous year.

ANNEX A

Principles

Except as otherwise defined herein, capitalized terms used in this Annex A shall have the respective meanings given to such terms in the Declaration of Trust.

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 - ½" inside diameter – foam, meets ASTM –C547-00, minimum ¾" thick
Hot Water Tank Pipe Insulation - ¾ " inside diameter - – foam, meets ASTM –C547-00, minimum ¾" 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 Draftproofing (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
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.