

RE: Provincial Support Agreement | Meeting with OFA, OPCD, Energy, TD and Blakes

From: Gadi Mayman <gadi.mayman@ofina.on.ca>
To: "JACKSON, ADAM" <adam.jackson@blakes.com>, "Laing, Mark" <mark.laing@tdsecurities.com>, "ASHBOURNE, STEPHEN" <stephen.ashbourne@blakes.com>, "Gavaris, Hresa (OFA)" <hresa.gavaris@ofina.on.ca>, "Devine, James (OFA)" <james.devine@ofina.on.ca>, "Yep, Carlos (OFA)" <carlos.yep@ofina.on.ca>, "Kandeean, Ken (OFA)" <ken.kandeean@ofina.on.ca>, "Kwan, Ronald (OFA)" <ronald.kwan@ofina.on.ca>, "He, Gavin (OFA)" <gavin.he@ofina.on.ca>, "Strathy, Anna (OFA)" <anna.strathy@ofina.on.ca>, "Hanslep, Malle (MOF)" <malle.hanslep@ontario.ca>, "Whitfield, Tobias P. (MOF)" <tobias.whitfield@ontario.ca>, "Hume, Steen (ENERGY)" <steen.hume@ontario.ca>, "Cox, Hilary (ENERGY)" <hilary.cox@ontario.ca>, "Calwell, Carolyn (ENERGY/MEDEI/MRI)" <carolyn.calwell@ontario.ca>, "Thompson, Susan" <susan.thompson@tdsecurities.com>, "McKinlay, Tom (ENERGY)" <tom.mckinlay@ontario.ca>, "Nelms, Scott (MOF)" <scott.nelms@ontario.ca>, "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>, "Hilloowala, Maharukh" <maharukh.hilloowala@tdsecurities.com>
Cc: "Calwell, Carolyn (ENERGY/MEDEI/MRI)" <carolyn.calwell@ontario.ca>
Date: Fri, 23 Jun 2017 14:36:18 -0400

I'd suggest that we leave it in there for now, recognizing that we will likely have to modify it to recognize what market practice is, or drop it completely at the next iteration.

The optionality is important to us, but we recognize that we can't force a market to go in a direction that it doesn't want to.

I think that the likely outcome, in a scenario if the indemnity were to kick in, would be for us to do something which would enable the SPV to continue to make timely interest and principal payments, rather than accelerate the payment, but it would be good to leave the option for the acceleration in, so whomever is making those decisions at that time would have a choice. It seems unlikely to me that whomever from the Province is making that decision would be willing to have the potentially very expensive market-standard make whole clause, so we may have a stand-off here if OPG and their underwriters are unwilling to accept clause (y), but let's see.

Thanks,
Gadi

From: JACKSON, ADAM [mailto:ADAM.JACKSON@blakes.com]
Sent: Friday, June 23, 2017 2:03 PM
To: Laing, Mark <Mark.Laing@tdsecurities.com>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Hresa Gavaris <Hresa.Gavaris@ofina.on.ca>; James Devine <James.Devine@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; Ken Kandeean <Ken.Kandeean@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Gadi Mayman <Gadi.Mayman@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Hilary Cox (ENE) <Hilary.Cox@ontario.ca>; Carolyn Calwell (MCSS) <Carolyn.Calwell@ontario.ca>; Thompson, Susan <Susan.Thompson@tdsecurities.com>; Tom McKinlay (MAG) <Tom.McKinlay@ontario.ca>; Scott Nelms (ENERGY) <Scott.Nelms@ontario.ca>; 'cindy.veinot@ontario.ca' <cindy.veinot@ontario.ca>; 'sarah.hosick@ontario.ca' <sarah.hosick@ontario.ca>; Hilloowala,

Maharukh <Maharukh.Hilloowala@tdsecurities.com>

Cc: Carolyn Calwell (MCSS) <Carolyn.Calwell@ontario.ca>

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All,

I attach a revised draft of the indicative term sheet for the provincial support arrangement in clean and blackline. This draft includes one clarification to the section entitled "Satisfaction of a Servicing Guarantee".

I have retained clause (y) in the Satisfaction of an Indemnity section for the time being, as I understand that this optionality is important to the OFA. That said, let us know if the OFA has any further comments or questions based on Mark's email below.

Please let us know if you have any further comments, or if you are signed-off on this draft as soon as possible this afternoon, as I understand that the Department of Energy plans to send a revised draft to OPG before the close of business today.

Kind regards,
Adam

Adam Jackson
adam.jackson@blakes.com
Dir: 416-863-4324

From: Laing, Mark [<mailto:Mark.Laing@tdsecurities.com>]

Sent: Friday, June 23, 2017 12:31 PM

To: ASHBOURNE, STEPHEN; Hresa Gavaris; James Devine; Carlos Yep; Ken Kandeepan; Ronald Kwan; Gavin He; Gadi Mayman; Anna Strathy; Malle Hanslep (MOF); Tobias P. Whitfield (MOF); Steen Hume (CAB); Hilary Cox (ENE); Carolyn Calwell (MCSS); Thompson, Susan; Tom McKinlay (MAG); Scott Nelms (ENERGY); 'cindy.veinot@ontario.ca'; 'sarah.hosick@ontario.ca'; JACKSON, ADAM; Hilloowala, Maharukh

Cc: Carolyn.Calwell@ontario.ca

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Hi all,

I know that the concept of an accelerated payment was discussed in yesterday's call and speaking with Steve this is the rationale for including clause (y) in the Satisfaction of an Indemnity section:

(y) causing the acceleration of the funding obligation and paying the outstanding amount owing thereunder in full, including in the case of debt instruments issued by the applicable Financing Entity by causing the redemption of the debt instruments and paying an amount equal to the then outstanding principal amount thereof plus accrued and unpaid interest up to the date of payment (without any default, penalty, prepayment or make whole premium).

However, we want to note that the ability to redeem the bonds at par (plus accrued) would be off market and could hinder the marketability of an offering. Happy to discuss further. Thanks,

ML

Mark Laing | Vice President | Debt Capital Markets | **TD Securities**
Ernst & Young Tower, 222 Bay Street, 7th Floor, Toronto, ON M5K 1A2

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From: ASHBOURNE, STEPHEN [<mailto:STEPHEN.ASHBOURNE@blakes.com>]

Sent: Thursday, June 22, 2017 6:27 PM

To: Hresa Gavaris; James Devine; Carlos Yep; Ken Kandeepan; Ronald Kwan; Gavin He; Gadi Mayman; Anna Strathy; Malle Hanslep (MOF); Tobias P. Whitfield (MOF); Steen Hume (CAB); Hilary Cox (ENE); Carolyn Calwell (MCSS); Thompson, Susan; Tom McKinlay (MAG); Scott Nelms (ENERGY); 'cindy.veinot@ontario.ca'; 'sarah.hosick@ontario.ca'; JACKSON, ADAM; Hilloowala, Maharukh

Cc: Laing, Mark; Carolyn.Calwell@ontario.ca

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Hi. Here is a revised version of the Term Sheet, including to reflect the comments discussed at our meeting this morning. Please pass on any final comments at your earliest opportunity. I will be travelling tomorrow, so please be sure to copy in my colleague, Adam Jackson (adam.jackson@blakes.com), in any response. Thanks very much, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

-----Original Appointment-----

From: Hresa Gavaris [<mailto:Hresa.Gavaris@ofina.on.ca>]

Sent: Wednesday, June 21, 2017 9:14 AM

To: Hresa Gavaris; James Devine; Carlos Yep; Ken Kandeepan; Ronald Kwan; Gavin He; Gadi Mayman; Anna Strathy; Malle Hanslep (MOF); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Steen Hume (CAB); Hilary Cox (ENE); Carolyn Calwell (MCSS); 'Susan.Thompson@tdsecurities.com'; Tom McKinlay (MAG); Scott Nelms (ENERGY); 'cindy.veinot@ontario.ca'; 'sarah.hosick@ontario.ca'; JACKSON, ADAM

Cc: Laing, Mark

Subject: Provincial Support Agreement | Meeting with OFA, OPCD, Energy, TD and Blakes

When: Thursday, June 22, 2017 10:00 AM-11:00 AM (UTC-05:00) Eastern Time (US & Canada).

Where: Executive Boardroom, 14th Floor, 1 Dundas Street West

CM teleconference 416-406-5763 or 1-866-596-5280 p/c 9763326#

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