

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, AS REPRESENTED BY THE
MINISTER OF ENERGY AND THE MINISTER OF FINANCE**

AND

**COMPUTERSHARE TRUST COMPANY OF CANADA, AS TRUSTEE OF FAIR
HYDRO TRUST**

AND

**ONTARIO POWER GENERATION INC., AS FINANCIAL SERVICES MANAGER
AND AS MANAGER OF FAIR HYDRO TRUST**

AND

BNY TRUST COMPANY OF CANADA, AS INDENTURE TRUSTEE

CHANGE OF LAW PROTECTION AGREEMENT

Dated as of [■], 2017

This **AGREEMENT**, among Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the “**Province**”), Computershare Trust Company of Canada, in its capacity as trustee (the “**Financing Entity Trustee**”) of Fair Hydro Trust, a trust organized under the laws of the Province of Ontario (the “**Financing Entity**”), Ontario Power Generation Inc., in its capacity as Manager of the Financing Entity and in its capacity as the Financial Services Manager in accordance with the Act (the “**FSM**”) and BNY Trust Company of Canada, a trust company existing under the laws of Canada, as Indenture Trustee, is made and entered into as of [■], 2017.

RECITALS

Pursuant to Subsection 5(3) of the *Ontario Fair Hydro Plan Act, 2017* (the “**Act**”), the Lieutenant Governor in Council may by order, authorize the Minister of Energy and the Minister of Finance, acting together on behalf of the Province of Ontario, to agree to guarantee or indemnify certain debts, obligations, securities or undertakings associated with an Investment Interest.

Pursuant to an Order in Council 1981/2017 (the “**OIC**”), the Lieutenant Governor in Council has, among other things, authorized the Minister of Energy and the Minister of Finance, acting together on behalf of the Province of Ontario, to enter into one or more agreements to guarantee or indemnify the debts, obligations, securities or undertakings of one or more financing entities established or caused to be established pursuant to Subsection 22(2) of the Act by the FSM and that may incur Funding Obligations in connection with one or more Investment Interests.

Pursuant to a Declaration of Trust dated as of ■, 2017, the Financing Entity was established as a “financing entity” (as defined in the Act) for the purposes contemplated in the Act.

The Financing Entity Trustee, in its capacity as trustee of the Financing Entity, and the Indenture Trustee are parties to the Trust Indenture and propose to create and issue series of notes, bonds and other securities as contemplated therein, and to provide security over the assets and undertaking of the Financing Entity in respect of such notes, bonds and securities, as well as other Obligations Secured.

The Minister of Energy and the Minister of Finance, acting together on behalf of the Province of Ontario, have determined to provide protections and assurances to the Indenture Trustee, for the benefit of the Beneficiaries, in respect of Primary Obligations that constitute Approved Obligations, in order to address concerns that would arise from a change or adverse determination of law, subject in each case to the satisfaction of the Adherence Conditions at the time the Approved Obligation is incurred. This Agreement sets out the terms and conditions of such protections and assurances.

All things necessary to make this Agreement a valid and legally binding agreement of the Province, the Financing Entity, the FSM and the Indenture Trustee, in accordance with the Act, the OIC and the Trust Indenture, have been done.

AGREEMENT OF THE PARTIES

In consideration of the respective agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

1.01 Interpretation

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms used in this Agreement that are defined in Schedule A have the meanings assigned to them in Schedule A, and any other capitalized terms not defined herein shall have the meanings assigned to them in the Trust Indenture;
- (b) words importing the singular shall include the plural and vice versa, words importing general shall include all genders or the neuter, and words importing the neuter shall include all genders;
- (c) all references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities;
- (d) references to any law, rule, regulation or order of a Governmental Authority (including, for greater certainty, references to the Act and the General Regulation) shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement or reenactment thereof or any substitution therefor;
- (e) the word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive;
- (f) any reference to this Agreement or any other agreement, document or instrument shall be construed as a reference to this Agreement or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated, supplemented or otherwise modified;
- (g) all references in this Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits" and other subdivisions are to the designated Articles, Sections, Subsections, Schedules, Exhibits and other subdivisions of this Agreement as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit or other subdivision;

- (h) “including” and words of similar import will be deemed to be followed by “without limitation”; and
- (i) with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”.

1.02 Trustee to act in accordance with the Trust Indenture

Any action taken, required to be taken or permitted to be taken by the Indenture Trustee under this Agreement shall only be taken in the manner, at the times, for the purposes, subject to the prerequisites, conditions, requirements and limitations, and with the benefits, exculpations, indemnities and protections that are provided to the Indenture Trustee, in each case in respect of such action taken, required to be taken or permitted to be taken by it under the Trust Indenture.

1.03 Proof of Approved Obligations

The efficacy of any agreement, instrument or writing evidencing a Primary Obligation may, in the absence of manifest error, be conclusively proved in any manner that the Manager deems to be sufficient.

Each statement delivered by the Manager under Section 2.01(a)i shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due and payable by the Financing Entity to the Beneficiaries and/or the Indenture Trustee and each of the parties hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Manager shall act diligently in the preparation of each such statement and shall provide the Indenture Trustee and the Province with all supporting computations and calculations used by the Manager to prepare each such statement promptly following a request therefor made by the Indenture Trustee or the Province.

1.04 Limitation on Rights of and Actions by Specified Creditors

Specified Creditors, as Beneficiaries, shall not have or be permitted to exercise any rights, interests, or elections under this Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Trust Indenture as of the date of this Agreement.

1.05 Province Retains Rights of Beneficiaries

Without limiting any rights of subrogation or succession that arise pursuant to applicable law or pursuant to the Province’s rights as an assignee, subrogee or pursuant to Section 2.01 or Section 5.01, all of the rights, interests, elections and privileges that would arise in favour of a Beneficiary under the Trust Indenture or other Funding Obligation Agreement under which a related Primary Obligation arises shall automatically arise, vest in and be available to the Province to the extent of the performance by the Province of the Primary Obligation.

1.06 Effect of Headings

The Article and Section headings herein are for convenience only and will not affect the construction hereof.

1.07 Successors and Assigns

All covenants and agreements in this Agreement by the parties will bind their respective successors and permitted assigns, whether so expressed or not. All covenants and agreements of the Indenture Trustee, the Financing Entity, the Financing Entity Trustee, the Manager or the FSM in this Agreement shall bind their respective successors, co-trustees and agents.

1.08 Severability

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect.

1.09 Governing Law

THIS AGREEMENT WILL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

1.10 Proceedings Against the Crown Act

NOTHING IN THIS AGREEMENT OR THE PROGRAM AGREEMENTS AFFECTS THE RIGHTS, PROTECTIONS AND IMMUNITIES OF THE CROWN UNDER THE PROCEEDINGS AGAINST THE CROWN ACT (ONTARIO).

1.11 Attornment

EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY ONTARIO COURTS SITTING IN TORONTO IN ANY ACTION, APPLICATION, REFERENCE OR OTHER PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT. THE PARTIES HERETO HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO REQUIRE A TRIAL BY JURY OF ANY PROCEEDING COMMENCED IN CONNECTION WITH THIS AGREEMENT.

1.12 Counterparts; Electronic Delivery

This Agreement may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all such counterparts will together constitute one and the same instrument. Delivery of an executed signature page to this Agreement by a party by

electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

1.13 Change of Law Protection Agreement Referred to in the Trust Indenture

This Agreement is the “Change of Law Protection Agreement” referred to in the Trust Indenture.

1.14 Non-Business Days

Whenever any payment to be made hereunder shall be stated to be due, any period of time would begin or end, any calculation is to be made or any other action to be taken hereunder shall be stated to be required to be taken, on a day other than a Business Day, then (notwithstanding any other provision of this Agreement) such payment shall be made, such period of time shall begin or end, such calculations shall be made and such other action shall be taken on the next succeeding Business Day.

1.15 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement will be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement will constitute a waiver of any other provision nor will any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided. A party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a party from any other or further exercise of that right or the exercise of any other right.

1.16 Interest Act

For the purpose of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest to which any rate of interest payable under this Agreement that is calculated on any basis other than a full calendar year is equivalent may be determined by multiplying such rate by a fraction, the numerator of which is the actual number of days in the calendar year in which such yearly rate of interest is to be ascertained and the denominator of which is the number of days comprising such other basis. The parties further agree that for the purposes of the *Interest Act* (Canada), (i) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement, and (ii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

1.17 Currency

Unless stated otherwise, all amounts herein are stated in Canadian Dollars.

1.18 References to Acts of the Financing Entity

For greater certainty, where any reference is made in this Agreement, or in any other instrument executed pursuant hereto or contemplated hereby to which the Financing Entity or the

Financing Entity Trustee, as trustee of the Financing Entity, is party, to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to (i) the Financing Entity or (ii) the Financing Entity Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the Financing Entity) by or with respect to, the Financing Entity Trustee as trustee of the Financing Entity.

1.19 Judgment Currency

- (a) If for the purpose of obtaining judgment in any court or for any other purposes (other than conversions specifically provided for in the agreement under which an Approved Obligation arises), it is necessary to convert any amount due under this Agreement from the currency in which it is due (the “**Original Currency**”) into another currency (the “**Second Currency**”), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, the purchaser could purchase, in the New York foreign exchange market, the Original Currency with the Second Currency on the date on which judgment is given. The obligation of the Province in respect of any Original Currency due from it to the Indenture Trustee under this Agreement shall, notwithstanding any judgment or payment in such other currency, be discharged only to the extent that, on the Business Day following receipt of any sum so paid or adjudged to be due under this Agreement in the Second Currency, the Indenture Trustee may, in accordance with normal banking procedures, purchase in the New York foreign exchange market the Original Currency with the amount of the Second Currency so paid or so adjudged to be due; and if the amount of the Original Currency so purchased is less than the amount originally due in the Original Currency, the Province shall indemnify the Indenture Trustee against such loss.
- (b) The term “rate of exchange” in this Section 1.19 means the spot rate at which the Indenture Trustee, in accordance with normal practice, is able on the relevant date to purchase the Original Currency with the Second Currency and includes any premium and costs of exchange payable in connection with such purchase.

ARTICLE II AGREEMENT TO PERFORM APPROVED OBLIGATIONS

2.01 Limited Guarantee

- (a) Upon the occurrence of a Protection Event, the Indenture Trustee may deliver a written demand, substantially in the form attached as **[Exhibit A]** (a “**Payment Demand**”), to the Province requiring the Province to make payments in respect of the Approved Obligations at the times, in the amounts and subject to the requirements specified in this Agreement. From and after such delivery of a

Payment Demand, the Province shall make the following payments in respect of the Approved Obligations (the “**Limited Guarantee**”), the Financing Entity shall pay, and the Province shall be entitled to be paid, the Subrogation Amounts specified below, and the following terms shall apply:

- i. Not less than three (3) Business Days prior to each day when any payment or payments are to be made in respect of one or more Approved Obligations occurring after such delivery of a Payment Demand (each such day, a “**Guarantee Payment Date**”), the Manager shall deliver a written statement setting forth the Aggregate Approved Obligations Amount, if any, in respect of the Approved Obligations that are due and payable on such Guarantee Payment Date, together with a detailed description identifying such Approved Obligations and the nature and amount of payments due and payable thereunder on the Guarantee Payment Date, the aggregate outstanding amount payable by the Financing Entity under such Approved Obligations as of the date of such written statement, and details regarding any default in performance by any party obligated thereunder.
- ii. On each such Guarantee Payment Date, the Province shall deposit the Aggregate Approved Obligations Amount into the Protection Account.
- iii. On each such Guarantee Payment Date, the Financing Entity and the Indenture Trustee shall ensure that the amounts on deposit in the Protection Account are applied to pay each Beneficiary to whom an amount is due and payable under an Approved Obligation on the Guarantee Payment Date the Approved Obligation Amount for such Beneficiary in respect of such Approved Obligation on such Guarantee Payment Date; provided that if the amount deposited pursuant to clause 2.01(a)ii is insufficient to pay all such Approved Obligation Amounts in full, the amount on deposit in the Protection Account on the Guarantee Payment Date shall be applied to pay Beneficiaries in the order of priority in which such Approved Obligations are payable under the payment provisions of the Trust Indenture applicable to the making of such payments on the Guarantee Payment Date (each, a “**Beneficiary Payee**” and each payment made to a Beneficiary Payee on a Guarantee Payment Date, a “**Guarantee Payment**”).
- iv. On the first Guarantee Payment Date and on each subsequent Guarantee Payment Date, Payment Date or other day on which any amount is required to be paid in respect of any Obligations Secured under the Trust Indenture (a “**Subrogation Payment Date**”), the Issuer and the Indenture Trustee shall ensure that the applicable payment provisions of the Trust Indenture shall be applied and operate on the following basis:
 - (A) If such day is a Guarantee Payment Date, then for each Approved Obligation for which amounts are paid to a

Beneficiary Payee on such day pursuant to clause 2.01(a)iii in respect of principal, interest or any other amounts ("**Payable Approved Amounts**"), the amounts payable by the Financing Entity in respect of such amounts for such Approved Obligation shall be reduced by the respective amounts of such payments to the Beneficiary Payee, and equivalent amounts shall be payable by the Financing Entity to the Province as "**Subrogation Amounts**" in respect of such Approved Obligations, such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province as applied in respect of the related Payable Approved Amounts which were previously owing to the Beneficiary Payee, and to reflect this subrogation the payments set out in clause 2.01(a)iv(B) below shall be made by the Financing Entity.

- (B) If the Province has made all deposits required to be made by it on each Guarantee Payment Date occurring on or before such day in accordance with clause 2.01(a)ii (or the related Approved Obligation Amounts have otherwise all been paid in full), then in respect of each Approved Obligation for which any related Subrogation Amounts have not yet been paid in full to the Province, the Financing Entity shall pay to the Province from amounts available under the Trust Indenture payment provisions and in accordance with the priority of payment provisions in the Trust Indenture the amount that would be payable on such date in satisfaction of the relevant Payable Approved Amounts, as determined without regard to any Guarantee Payment paid on any Guarantee Payment Date and also without regard to the corresponding reduction of the amounts owing to present and former Beneficiary Payees pursuant to subclause 2.01(a)iv(A) up to the amount of the unpaid related Subrogation Amounts.
- (C) No Beneficiary having a right to be paid an amount in respect of an Approved Obligation, and no other Person entitled under an Obligation Secured, in each case that ranks equal with or subordinate to the Payable Approved Amount in respect of which a Subrogation Amount is payable to the Province under subclause 2.01(a)iv(B), shall be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province under such subclause (including any right of set-off, offset, reimbursement, contribution or indemnity) and no such Beneficiary or other Person shall have any right or

interest in, to or under the Collateral or any proceeds therefrom in respect of any such Subrogation Amount.

- (D) For greater certainty, the entitlements of the Province in respect of Subrogation Amounts arising in respect of Payable Approved Obligations that are interest and principal obligations on Notes shall be treated for all purposes of the Trust Indenture as interest and principal obligations, respectively, arising under Notes having the same priority as and any applicable voting rights under the related Approved Obligations, and accordingly the Province (and any successor, assignee or transferee of such entitlements) shall be entitled to all of the rights, entitlements, interests and privileges of a Holder of such a Notes in accordance with the Trust Indenture, as supplemented by the Supplemental Indenture or other indenture document under which the related Approved Obligations were issued.
- (b) On each Guarantee Payment Date and upon demand by the Province, the Indenture Trustee shall release and pay to the Province free and clear of any Liens any amount remaining on deposit in the Protection Account that has not been applied to pay Guarantee Payments to Beneficiary Payees on the Guarantee Payment Date in accordance with clause 2.01(a)iii or that otherwise remains on deposit in the Protection Account on the relevant date.
- (c) In preparing any payment instructions under the Trust Indenture, the Manager shall reflect the amounts payable under Section 2.01(a), if applicable.
- (d) The Province shall, as a payee of Subrogation Amounts under clause 2.01(a)iv(B) and as a payee of any amounts payable under clause 2.01(b), be a "Specified Creditor" under the Trust Indenture and have the benefit of the Collateral thereunder.
- (e) For greater certainty, the Limited Guarantee will not apply to any amount or obligation of the Financing Entity that is not or does not arise under an Approved Obligation and will be limited to the right to receive the Approved Obligation Amounts, if any, for payment to Beneficiary Payees and will be subject to the priorities and to the Province's rights to Subrogation Amounts, set forth in Section 2.01(a).
- (f) Except as expressly provided in this Agreement, the Province's obligation to provide and perform the Limited Guarantee shall be irrevocable, absolute and unconditional.
- (g) Any amount payable by the Province under the Limited Guarantee in respect of an Approved Obligation that is not paid by the Province when required herein

shall bear interest from the applicable due date until paid in full at the rate or rates expressed to be payable on the Approved Obligation by their terms.

- (h) Any amount payable to the Province in respect of a Subrogation Amount shall bear interest from and including the date of payment by the Province of the related Guarantee Payment to but excluding the date of payment of the Subrogation Amount to the Province, such interest to accrue at the rate equivalent to the applicable interest rate borne by the related Approved Obligation, and such interest amounts shall be added to their respective Subrogated Amounts and shall consequently be payable in the same priority as the relevant Subrogated Amount under clause 2.01(a)iv(B), all such accruing interest amounts to be calculated and added to the Subrogation Amounts by the Manager in its discretion acting in a commercially reasonable fashion.
- (i) The right to deliver a Payment Demand and thereupon enforce the Limited Guarantee shall constitute the only remedy available to the Indenture Trustee (and to the Beneficiaries, to the extent they are permitted to exercise any rights, interests, or elections under and in accordance with the Trust Indenture) under this Agreement. Under no circumstances shall the Province be obligated to pay or indemnify the Indenture Trustee or any Beneficiary for consequential, special or punitive damages, or for economic loss or loss of profits; provided that, for greater certainty, economic loss shall not include any amount in respect of any amount due and payable to a Beneficiary Payee under the Limited Guarantee.

2.02 Intentionally Deleted.

2.03 Absence of Set-off

Subject to applicable law, the Province acknowledges and agrees that each payment to be made by the Province hereunder in respect of an Approved Obligation shall be made as required in whole, without application of any right of set-off and without regard to any equities as between or among any of the Province, the Beneficiaries and/or the Indenture Trustee.

2.04 Payment into Protection Account in Satisfaction

- (a) On or before the date of delivery of a Payment Demand to the Province, the Indenture Trustee shall cause to be established and maintained an Eligible Deposit Account (the “**Protection Account**”) in the name of the Indenture Trustee, bearing a designation clearly indicating that the funds and other property credited thereto are held for the benefit of the Indenture Trustee and the Beneficiaries. The Protection Account shall be under the control of the Indenture Trustee for the benefit of the Beneficiaries. If, at any time, the institution holding the Protection Account ceases to be an Eligible Institution, the FSM shall notify the Indenture Trustee, and the Indenture Trustee upon being notified in writing of such ineligibility (or the FSM on its behalf) shall within 30 days (or such longer period, not to exceed 45 days, so long as the Rating Agency Condition is satisfied) establish a new Protection Account that is an Eligible Deposit Account and shall

transfer any funds or other property from such Protection Account to such new Protection Account. From the date each such new Protection Account is established, it shall be the "Protection Account" for purposes of this Agreement. Funds credited to the Protection Account will be invested and held in accordance with Section [7.03] of the Trust Indenture on the basis that it is an Issuer Account.

- (b) Notwithstanding the priority of payment requirements set forth in the Trust Indenture and any legal rule concerning the imputation of payments, the Financing Entity and the Indenture Trustee shall ensure that all amounts paid by the Province into the Protection Account on a Guarantee Payment Date in respect of an Approved Obligation are applied to pay the amounts due and payable to the Beneficiary Payee as and to the extent provided for in Section 2.01(a). Upon a payment having been made by or on behalf of the Province into the Protection Account, the amounts so paid shall for all purposes be considered to have been applied to pay the applicable Beneficiary Payee as provided for in Section 2.01(a) and thereby reduce the amount due and payable to such Beneficiary Payee in respect of the applicable Approved Obligations, whereupon an affected Beneficiary Payee shall have no continuing rights, interests or entitlements (including rights as a secured party) in respect of the Approved Obligation to the extent so paid. For greater certainty, the obligations arising in respect of an applicable Approved Obligation shall not be reduced by such payment as the Province shall become entitled to be paid related Subrogation Amounts and the rights contemplated under Section 2.01(a) and Section 5.01 in relation to such continuing obligations.

2.05 Certain Waivers

The Province hereby waives:

- (a) any requirement, and any right to require, that any power be exercised or any action be taken against the Financing Entity or any Collateral for any of the Approved Obligations;
- (b) all notices which may be required by applicable law to preserve any rights against the Province hereunder, including any notice of default, demand, dishonour, presentment and protest;
- (c) diligence; and
- (d) any defence based upon, arising out of or in any way related to any claim that any election of remedies by the Beneficiaries impaired, reduced, released or extinguished any rights that the Province might otherwise have had against the Financing Entity or any other surety.

The Province agrees that each such waiver is made with full knowledge of its significance and consequences and if any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the maximum extent permitted by applicable law.

2.06 Additional Security

This Agreement shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by the Indenture Trustee or for the benefit of any of the Beneficiaries.

2.07 Continuing Liability of the Province

The Approved Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Province hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Financing Entity, or out of the proceeds of any Collateral, is recovered from or reimbursed by or for the account of any of the Beneficiaries for any reason, including a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the Approved Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Beneficiaries (whether or not consented to by the Financing Entity or the Province) of any claim for any such recovery or payment over.

2.08 Continuance of the Limited Guarantee

Subject to Section 2.07, the Limited Guarantee shall continue in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations in accordance with Section 8.01.

2.09 Modifications of Approved Obligations

The Province expressly authorizes the Indenture Trustee, at any time and from time to time, without notice and without affecting the liability of the Province hereunder, but subject to compliance with the requirements of the Program Agreements and this Agreement, to:

- (a) accept new, additional or replacement instruments, documents, agreements or security in connection with all or any part of the Approved Obligations;
- (b) accept partial payments on the Approved Obligations; and
- (c) waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Approved Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Indenture Trustee (for the benefit of the Beneficiaries) in its discretion may determine.

ARTICLE III THE INDENTURE TRUSTEE

3.01 The Indenture Trustee

This Agreement is made in favour of the Indenture Trustee in its capacity as trustee under the Trust Indenture. Accordingly, in the event of a new trustee being appointed under the Trust Indenture, such new trustee shall thereupon become and be the Indenture Trustee hereunder, but nevertheless, the Indenture Trustee shall forthwith assign, transfer and make over to the new trustee hereunder this Agreement. All provisions of the Trust Indenture for the protection of the Indenture Trustee or for facilitating the administration of the trusts or otherwise relating to the Indenture Trustee solely as to its holding of the rights thereunder shall apply *mutatis mutandis* to this Agreement and the Indenture Trustee's duties hereunder.

3.02 Acceptance of Trusts

The Indenture Trustee hereby accepts the trusts hereof and agrees to carry out and discharge the same unless and until a new trustee shall be appointed as contemplated in Section 3.01.

ARTICLE IV APPROVED OBLIGATIONS

4.01 Approval Process

Except in respect of any Primary Obligation to which the Limited Guarantee will not apply on or after a Suspension Notice is delivered in accordance with Section 7.02, a Primary Obligation that is not a Certified Primary Obligation shall be an Approved Obligation. A Certified Primary Obligation shall constitute an Approved Obligation if (i) the Adherence Conditions applicable thereto have been satisfied at the time the Primary Obligation was incurred or (ii) the Province, in its sole discretion, designates in writing that it is an Approved Obligation.

4.02 Adherence Conditions

- (a) The following shall be the Adherence Conditions applicable in relation to each Certified Primary Obligation:
 - i. the Certified Primary Obligation when incurred is an Obligation Secured under the Trust Indenture; and
 - ii. OPG, as FSM, delivers an Adherence Compliance Certificate in the form attached hereto as Exhibit B signed by the Chief Financial Officer and the Treasurer of OPG, or any two Executive Officers of OPG (for clarity, such certificate is to be provided by such officers in their capacity as officers of OPG acting in its capacity as FSM) and addressed to the Indenture Trustee, on or before the incurrence of the Certified Primary Obligation (provided that delivery may not be more than 5 Business Days before the incurrence of the Certified Primary Obligation); and

- iii. the Province has not provided a Suspension Notice to the Indenture Trustee, OPG and the Financing Entity.
- (b) Without limiting any obligations of OPG to the Province arising other than pursuant to this Agreement, satisfaction of the Adherence Conditions for a Certified Primary Obligation shall be deemed satisfaction of the Adherence Conditions in respect of all principal, interest and other amounts owing under the Certified Primary Obligation, as such Certified Primary Obligation may be amended, restated, supplemented or modified from time to time.
- (c) For greater certainty, there shall be no Adherence Conditions applicable in relation to a Primary Obligation that is not a Certified Primary Obligation.

4.03 Evidence of Satisfaction

An Adherence Compliance Certificate delivered in accordance with clause 4.02(a)ii shall be determinative as to whether the applicable Adherence Condition with respect thereto has been satisfied, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such closing certificate may be relied upon by any addressee as conclusive evidence of same. An Adherence Compliance Certificate that purports on its face to be signed by officers specified in clause 4.02(a)ii may be relied upon by any addressee without further enquiry or evidence as to the incumbency or signatures of such officers. If an Adherence Compliance Certificate is not delivered in accordance with the timing requirements of clause 4.02(a)ii such certificate may be delivered at a later date, and be effective as if it had been delivered in accordance with the timing requirement of clause 4.02(a)ii if at the time such certificate was otherwise required to be delivered OPG had delivered to the Province all certifications required by the Province in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation.

ARTICLE V PROVINCE MATTERS

5.01 Assignment and Subrogation

- (a) Upon paying an amount in respect of an Approved Obligation to or at the direction of the Indenture Trustee in satisfaction of the Limited Guarantee, the Province (in addition to and without prejudice to any rights it otherwise has in law or equity) shall be subrogated and entitled to all of the applicable Beneficiary's rights and interests under and in respect of the Approved Obligation to the extent of such payment, and shall be entitled to (i) the right and entitlement to be paid and receive the related Subrogation Amounts, (ii) the benefits of the related Collateral and (iii) all proceeds therefrom. The Province shall have and be entitled to enforce all rights and interests (including as a Specified Creditor under the Trust Indenture on the basis contemplated in Section 5.01(b)), under and in respect of such Approved Obligation to the extent of the payment by the Province in respect of the Approved Obligation as an absolute assignee of the applicable Beneficiary, with effect from and after the time of such payment, without any

further requirement for notice to or acceptance by the Financing Entity of such absolute assignment and without any reduction, set-off or counterclaim on account of any amounts that may, at or after the time of payment, be or become owing by the Beneficiary to the Financing Entity and unaffected by any other rights or equities that arise thereafter as between the Beneficiary and the Financing Entity. The Indenture Trustee shall recognize the Province as being entitled to all of the rights, interests and entitlements of the Beneficiary (including as a Specified Creditor under the Trust Indenture on the basis contemplated in Section 5.01(b)) in respect and to the extent of the Approved Obligation so paid, determined as of the time of payment, for all purposes under the Trust Indenture, and the Province shall be treated as a Specified Creditor in respect thereof for all purposes under the Trust Indenture and any other agreement under which the Approved Obligation arises.

- (b) The Province (i) acknowledges and agrees in favour of the Indenture Trustee that, upon being subrogated and entitled to all of the applicable Beneficiary's rights and interests under and in respect of the Approved Obligation in accordance with Section 5.01(a), the Province, in its capacity as a Specified Creditor, will be subject to the provisions applicable to Specified Creditors under the Trust Indenture, including Sections [7.04] through [7.11] and [8.13] (Payment Priorities), Section [7.12] (Payments Held in Trust), Section [8.11] (Control by Controlling Class Creditors), Section [8.12] (Limitation on Suits), Section [8.14] (Limited Recourse), Article IX (The Indenture Trustee), including all limitations of liability thereunder, Section [9.14] (Communications to Specified Creditors) and Section [16.01] (No Petition); (ii) consents, requests and authorizes the Issuer and the Indenture Trustee to (x) add the Province to the register of Specified Creditors described in subsection [13.13(b)] of the Trust Indenture and (y) disseminate the notice details of the Province to other Specified Creditors for the purposes set out in subsection [9.14(b)] of the Trust Indenture, and (iii) confirms that it will execute and deliver, or cause to be executed and delivered, all such further agreements, documents and instruments in connection with this Section 5.01 as the Indenture Trustee may request from time to time for the purpose of giving effect to the terms of this Section 5.01.

5.02 Priorities

For greater certainty, the rights, interests and entitlements of the Province as an assignee and subrogee of and with respect to an Approved Obligation and the Payable Approved Amounts thereunder shall rank equally with the rights, interests and entitlements of a Beneficiary to whom a Limited Guarantee payment is made in respect of, and to the extent of the payment made to satisfy, the Approved Obligation and the Province shall not be subject to postponement or subordination with respect thereto except to the extent of the priorities established in relation to the Approved Obligation under the Trust Indenture in the manner and to the extent contemplated in Section [7.10] of the Trust Indenture.

5.03 Intentionally Deleted

5.04 Representations and Warranties

The Province hereby represents and warrants that:

- (a) the execution and delivery of, and the performance of its obligations under, this Agreement by the Province have been authorized by all necessary action on the part of the Province;
- (b) the execution and delivery of, and the performance of its obligations under, this Agreement by the Province do not result in the violation of any applicable law; and
- (c) this Agreement has been duly executed and delivered by the Province.

**ARTICLE VI
INDENTURE TRUSTEE MATTERS**

6.01 Limited Recourse

No recourse may be taken, directly or indirectly, with respect to the obligations of the Financing Entity under this Agreement, or any certificate or other writing delivered in connection herewith or therewith, against (a) the Financing Entity Trustee in its individual capacity, (b) any owner of a beneficial interest in the Financing Entity or (c) any partner, owner, beneficiary, agent, officer, director, employee or agent of the Financing Entity Trustee in its individual capacity, any holder of a beneficial interest in the Financing Entity or the Financing Entity Trustee or of any successor or assign of the Financing Entity Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Financing Entity Trustee has no such obligations in its individual capacity).

6.02 Not Responsible for Recitals

The recitals contained herein will be taken as the statements of the Province, the Financing Entity and the FSM, and the Indenture Trustee assumes no responsibility for their correctness. The Indenture Trustee makes no representations as to the validity or sufficiency of this Agreement.

6.03 Representations and Covenants of the Indenture Trustee

The Indenture Trustee represents, warrants and covenants that:

- (a) the Indenture Trustee is a trust company organized, existing and in good standing under the laws of Canada;
- (b) the Indenture Trustee has full power and authority to execute, deliver and perform this Agreement and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement;

- (c) this Agreement has been duly executed and delivered by the Indenture Trustee and constitutes its legal, valid and binding obligation in accordance with its terms; and
- (d) the Indenture Trustee is authorized to carry on the business of a trust company in each of the provinces and territories of Canada. If, notwithstanding the provisions of this subsection 6.03(d), the Indenture Trustee ceases to be so authorized to carry on business, the validity and enforceability of this Agreement shall not be affected in any manner whatsoever by reason only of such event.

ARTICLE VII

SUSPENSION OF ADHERENCE FOR NEW PRIMARY OBLIGATIONS

7.01 Suspension Notice

Upon:

- (a) a Program Breach;
- (b) a default in the performance, or breach, of any covenants of OPG, as FSM, or OPG, in its corporate capacity, in each case to the Province in connection with its obligations to the Province pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;
- (c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as FSM or in its corporate capacity, to the Province in connection with its obligations to the Province and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or
- (d) the FSM no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the FSM as the Manager;

the Province may deliver a written notice in the form of Exhibit C (a “**Suspension Notice**”) to the Indenture Trustee, the FSM and the Financing Entity.

7.02 Suspension

If a Suspension Notice has been provided under Section 7.01 (the provision of such notice being a “**Suspension Event**”), the Limited Guarantee shall not apply in respect of: (i) any Primary Obligation incurred, excluding Post-Suspension Refinancings, or (ii) any amendment of any Primary Obligation that has a Material Effect, unless otherwise agreed to by the Province, in each case, on or after the time such Suspension Notice is delivered.

7.03 Additional Right of the Province Regarding Post-Suspension Refinancings

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing (for greater certainty, without regard to the satisfaction of any Adherence Conditions); provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and prior to incurrence, which notice shall describe the material covenants, events of default, representations and warranties and indemnities of the Financing Entity and other material terms, excluding financial terms, rates and levels, and that shall be in respect of the full amount of the amount becoming due and payable in respect of the applicable Primary Obligation less amounts otherwise available to the Financing Entity from other available or committed sources (the "**Proposal**"), and during such 30 day period the Province may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the Proposal or on such other terms as may be considered by the Province to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably. If, within such 30-day period, the Province elects to offer to fund such Post-Suspension Refinancing as provided in the preceding sentence, the Manager shall accept such offer; however, if the Province does not elect to offer to fund such Post-Suspension Refinancing, the Manager shall cause the Financing Entity to incur Primary Obligations constituting such a Post-Suspension Refinancing on substantially the same terms (excluding, for greater certainty, any financial terms, rates or levels) as those set out in the Proposal if the Post-Suspension Refinancing can be completed by the Financing Entity in compliance with the Act, or on such other terms as would not have a Material Effect, without taking into account any financial terms, rates or levels.

7.04 No Impact on Adherence

For greater certainty, the occurrence of a Suspension Event or a failure by the FSM or the Financing Entity to perform its covenants under this Agreement will not invalidate or extinguish the obligations of the Province under the Limited Guarantee in respect of Approved Obligations in existence prior to the occurrence of the Suspension Event or in respect of any Post-Suspension Refinancing.

ARTICLE VIII MISCELLANEOUS

8.01 Term of Agreement

This Agreement will continue until the later of: (a) the date that no amount is or may become due and payable by the Province under the Limited Guarantee and (b) the date that no amount is or may become due and payable to the Province in respect of any Subrogation Amount.

8.02 Notices

Any notice or other communication required or permitted to be given hereunder will be in writing and will be given by prepaid first-class mail, by facsimile or other means of electronic

communication or by hand-delivery as hereinafter provided. Any such notice or other communication, if mailed by prepaid first-class mail at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, will be deemed to have been received on the fourth Business Day after the post-marked date thereof, or if sent by facsimile or other means of electronic communication, will be deemed to have been received on the Business Day following the sending, or if delivered by hand will be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address will also be governed by this Section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications will be delivered by hand or sent by facsimile or other means of electronic communication and will be deemed to have been received in accordance with this Section. Notices and other communications will be addressed as follows:

- (a) if to the Financing Entity:

Fair Hydro Trust
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: General Counsel
Fax: (416) 592-4189

with copies to:

Computershare Trust Company of Canada, in its capacity as Financing Entity
Trustee for Fair Hydro Trust
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1
Attention: Manager, Corporate Trust
Fax: (416) 981-9777
Email: corporatetrust.toronto@computershare.com

- (b) if to the FSM:

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6
Attention: General Counsel
Fax: (416) 592-4189

- (c) if to the Province:

Minister of Finance
[Address]
Attention: [■]
Fax: (416) [■]
Email: [■]

and

Minister of Energy

[Address]

Attention: [■]

Fax: (416) [■]

Email: [■]

With copies to:

Deputy Minister of Finance

[Address]

Attention: [■]

Fax: (416) [■]

Email: [■]

and

Deputy Minister of Energy

[Address]

Attention: [■]

Fax: (416) [■]

Email: [■]

- (d) if to the Indenture Trustee:

[Address]

Attention: [■]

Fax: (416) [■]

Email: [■]

or to such other addresses as a party may from time to time notify the other parties in accordance with this Section 8.02.

8.03 Assignment

- (a) None of the rights or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other parties, except as otherwise provided for herein.
- (b) Any purported assignment of this Agreement in violation of this Section 8.03 shall be null and void.

8.04 Enurement

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

8.05 FIPPA

The parties acknowledge that the Province will be bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Province, or any agent or representative of the Province in connection with this Agreement may be subject to disclosure in accordance with the act or as otherwise required by law.

8.06 No Petition

The Province agrees, to the fullest extent permitted by applicable law, that at no time until one year and one day following repayment in full of all Primary Obligations shall it commence, or join in commencing, a bankruptcy case or other insolvency or similar proceeding under the laws of any jurisdiction against the Financing Entity.

8.07 Notice to Rating Agencies

OPG, as FSM, shall deliver prompt written notice to the Rating Agencies of the occurrence of (i) a Protection Event; (ii) receipt of a Suspension Notice delivered by the Province pursuant to Section 7.01; and (iii) an assignment of this Agreement by any party pursuant to Section 8.03.

8.08 Third Party Rights

This Agreement is not intended to create rights for any Person not party to this Agreement. Beneficiaries derive their benefits hereunder through the Indenture Trustee and shall be subject to the provisions applicable to Specified Creditors in the Trust Indenture.

8.09 Delivery of Executed Copies

Each party acknowledges delivery of a fully executed copy of this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO, AS REPRESENTED BY THE
MINISTER OF FINANCE**

By: _____
Name: _____
Title: _____

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO, AS REPRESENTED BY THE
MINISTER OF ENERGY**

By: _____
Name: _____
Title: _____

**ONTARIO POWER GENERATION INC., AS
FSM AND AS MANAGER**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**COMPUTERSHARE TRUST COMPANY OF
CANADA, IN ITS CAPACITY AS TRUSTEE
OF FAIR HYDRO TRUST, AS ISSUER, BY
ONTARIO POWER GENERATION INC., NOT
IN ITS INDIVIDUAL CAPACITY BUT
SOLELY AS MANAGER**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**BNY TRUST COMPANY OF CANADA, AS
INDENTURE TRUSTEE AND NOT IN ITS
INDIVIDUAL CAPACITY**

By: _____

Name:

Title:

By: _____

Name:

Title:

SCHEDULE A

DEFINED TERMS

“**Acceleration**” has the meaning ascribed to the term “acceleration of a funding obligation” in the General Regulation.

“**Act**” has the meaning ascribed thereto in the first paragraph of the recitals in this Agreement.

“**Adherence Compliance Certificate**” means a certificate in the form attached hereto as Exhibit B delivered by the FSM in accordance with Section 4.02(a)ii.

“**Adherence Conditions**”, means, in respect of a Certified Primary Obligation, the conditions set out in Section 4.02.

“**Aggregate Approved Obligations Amount**” means, in respect of a Guarantee Payment Date, the aggregate of the Approved Obligation Amounts for such Guarantee Payment Date.

“**Approved Obligation**” means a Primary Obligation that constitutes an Approved Obligation pursuant to Section 4.01.

“**Approved Obligation Amount**” means, for a Beneficiary in respect of an Approved Obligation under which an amount is due and payable on a Guarantee Payment Date:

- (a) if no Acceleration has occurred in respect of any Obligation Secured on or before the Guarantee Payment Date, the amount due and payable to the Beneficiary on such Guarantee Payment Date in respect of the Approved Obligation (for greater certainty, determined on the assumption that there are adequate amounts available under the applicable payment provisions of the Trust Indenture to pay in full all amounts referred to in such payment provisions that are due and payable on the Guarantee Payment Date); and
- (b) if an Acceleration has occurred in respect of any Obligations Secured on or before the Guarantee Payment Date, the amount that would be available to be paid to the Beneficiary on such Guarantee Payment Date in respect of the Approved Obligation under the applicable payment provisions of the Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period for purposes of section 15(1) of the Act (in effect on the date hereof), including section 6.1 of the General Regulation (in effect on the date hereof), divided by the number of months in such Reference Period.

“**Beneficiaries**” means the Specified Creditors to whom the Financing Entity owes a payment obligation pursuant to one or more Approved Obligations from time to time.

“**Beneficiary Payee**” has the meaning ascribed thereto in Section 2.01(a)iii.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by applicable law, regulation or executive order to be closed.

“Capital Account” has the meaning ascribed to the term “capital account” in the General Regulation.

“Certified Primary Obligations” means Primary Obligations that are: (i) incurred by or on behalf of the Financing Entity to fund its ownership of an Investment Interest, including any Refinancing, other than a Post-Suspension Refinancing or a Pre-Approved Refinancing, of such a Primary Obligation (for greater certainty, including, in the case of any Certified Primary Obligation permitting funding transactions pursuant to a Funding Obligation Agreement applicable to the Certified Primary Obligation, each individual borrowing or funding utilization thereunder), (ii) incurred by or on behalf of the Financing Entity upon the Financing Entity entering into a Derivative Agreement, in which case the Certified Primary Obligation therefor shall be the Master Agreement applicable to such Derivative Agreement and not any individual trade confirmation other than a trade confirmation that modifies or purports to override the express terms or conditions of the related Master Agreement, or (iii) incurred by or on behalf of the Financing Entity upon entering into a contract that has a term of more than three (3) years which is not terminable by the Financing Entity giving three (3) years’ notice or less and expected (as determined by the Manager, acting reasonably) aggregate payments by the Financing Entity thereunder during the term of such contract are or would be in excess of C\$5,000,000 (that, for greater certainty, is not otherwise captured in clauses (i) and (ii) above).

“Change of Law Protection Agreement” means this Agreement.

“Declaration of Trust” means the declaration of trust made as of [■], 2017 under which the Financing Entity was established.

“Derivative Agreement” means any rate swap transaction, basis swap, forward rate transaction, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, total return swap transaction, credit default swap transaction or any other similar transaction (including any option with respect to any of those transactions) or any combination of these transactions entered into from time to time by the Financing Entity in connection with or related to Funding Obligations.

“Executive Officer” has the meaning ascribed to the term “executive officer” in National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

“Fair Allocation Amount” has the meaning ascribed to the term “fair allocation amount” in the Act as of the date of this Agreement.

“Finance Amount” has the meaning ascribed to the term “finance amount” in the Act as of the date of this Agreement.

“Finance Reserve Account” has the meaning ascribed to the term “finance reserve account” in the General Regulation.

“Financing Entity” has the meaning ascribed thereto in the first paragraph of this Agreement.

“Financing Entity Trustee” has the meaning ascribed thereto in the first paragraph of this Agreement until a successor Financing Entity Trustee shall have become such pursuant to the applicable provisions of the Trust Indenture and the Declaration of Trust, and thereafter **“Financing Entity Trustee”** means and includes such Person.

“Financing Plan” has the meaning ascribed to the term “Financing Plan” in the Act as of the date of this Agreement.

“FSM” has the meaning ascribed thereto in the first paragraph of this Agreement.

“Funding Obligation” has the meaning ascribed to the term “funding obligation” in the Act as of the date of this Agreement.

“Funding Obligation Agreement” has the meaning ascribed thereto in the Trust Indenture.

“General Regulation” means O. Reg. 206/17 made under the Act.

“Guarantee Payment” has the meaning ascribed thereto in Section 2.01(a)iii.

“Guarantee Payment Date” has the meaning ascribed thereto in Section 2.01(a)i.

“Governmental Authority” means any nation or government, any federal, state, provincial, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

“Holder” has the meaning ascribed thereto in the Trust Indenture as of the date hereof.

“IESO” has the meaning ascribed thereto in the Act as of the date of this Agreement.

“Indenture Trustee” means the Person named as the Indenture Trustee in the first paragraph of this Agreement until a successor Indenture Trustee shall have become such pursuant to the applicable provisions of the Trust Indenture and this Agreement, and thereafter **“Indenture Trustee”** means and includes such Person.

“Investment Interest” has the meaning ascribed to the term “investment interest” in the Act as of the date of this Agreement.

“Legislature” means the Legislature of the Province of Ontario.

“Liens” has the meaning ascribed thereto in the Trust Indenture as of the date hereof.

“Limited Guarantee” has the meaning ascribed thereto in Section 2.01(a).

“Management Agreement” means the management agreement dated [■], 2017 between the Manager and the Financing Entity, as amended, supplemented, restated or otherwise modified from time to time.

“Manager” means OPG, in its capacity as manager of the Financing Entity under the Management Agreement.

“Master Agreement” means an agreement in the form of a Master Agreement as published by ISDA or any replacement or substitute or functional equivalent of such agreement.

“Master Transfer and Servicing Agreement” means the master transfer and servicing agreement dated [■], 2017 between the Financing Entity and IESO, as amended, supplemented, restated or otherwise modified from time to time.

“Material Effect” means a material adverse effect on the obligations or the rights of the Province under the Limited Guarantee that relates to: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount or the terms of any previously provided Reference Documentation; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Financing Entity or the Financing Entity Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Trust Indenture; (vi) compliance by the FSM with the then applicable Financing Plan; (vii) compliance by the FSM or the Financing Entity with the Act or the General Regulation; or (viii) the Province’s rights of subrogation or assignment (including pursuant to Sections 1.05, 2.01 or 5.01 of this Agreement) or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

“Notes” has the meaning ascribed thereto in the Trust Indenture as of the date hereof.

“OIC” has the meaning ascribed thereto in the second paragraph of the recitals in this Agreement.

“OPG” means Ontario Power Generation Inc., a corporation established under the laws of the Province of Ontario.

“Original Currency” has the meaning ascribed thereto in Section 1.19(a).

“Payable Approved Amounts” has the meaning ascribed thereto in 2.01(a).

“Payment Date” has the meaning ascribed thereto in the Trust Indenture as of the date hereof.

“Payment Demand” has the meaning ascribed thereto in Section 2.01(a).

“Person” means any individual, corporation, limited liability company, unlimited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority.

“Post-Suspension Refinancing” means a Funding Obligation that is an Obligation Secured and that is incurred on or after the occurrence of a Suspension Event in compliance with the requirements of Section 7.03, as a Refinancing of one or more Series of Approved Obligations (including any Pre-Approved Refinancing incurred on or after the occurrence of a Suspension Event), in each case the proceeds of which, together with any other funds that may be available, are used solely for the purpose of paying in full such Series of Approved Obligations.

“Pre-Approved Refinancing” means a Refinancing of a Certified Primary Obligation in respect of which the Province has, prior to the incurrance of such Certified Primary Obligation, agreed shall be an Approved Obligation, subject to compliance with such conditions and requirements as may be specified in such agreement.

“Primary Obligations” means any Obligation Secured (a) that is a Funding Obligation or (b) that otherwise is a payment obligation of the Financing Entity that gives rise to a Finance Amount, in each case other than (i) any amounts required to be deposited by or on behalf of the Financing Entity into any Capital Account or Finance Reserve Account; and (ii) any obligation to pay the Financing Entity or on the Financing Entity’s direction any remaining amounts in the Collection Account pursuant to the Trust Indenture.

“Program Breach” means an acceleration of Funding Obligations in accordance with the provisions of the Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement, including under this Agreement, the Trust Indenture, the Master Transfer and Servicing Agreement or any Derivative Agreement.

“Protection Account” has the meaning ascribed to such term in Section 2.04(a).

“Protection Event” means the occurrence of any of the following events:

- (a) (i) the Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof as in effect on the date hereof;
- (ii) the Legislature enacts or amends any other statute;
- (iii) the Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) the regulations made under the Act or any portion thereof as in effect on the date hereof; or
- (iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any “regulation” (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof;
- (v) the implementation of a change in the organization or structure of the IESO or Ontario’s electricity market undertaken at the initiative of the Province or an entity controlled by the Province,

in each case, that (X) adversely affects the ability of the Financing Entity to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, in each case determined after taking into account and having regard to (i) any funds available at such time to apply to such Approved Obligations, including in any Finance Reserve Account, Capital Account or collateral posting account applicable under a Derivative Agreement, (ii) the availability of any credit enhancement agreement to which the Financing Entity is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in any of clauses (i) to (v) of this paragraph (a), or (Y) adversely affects the enforceability of, or adversely changes, the terms and conditions of this Agreement or of any of the agreements under which Approved Obligations arise; or

- (b) a court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, as in effect on the date hereof, is *ultra vires* or invalid in a way that adversely affects the ability of the Financing Entity to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable and that has the effect of the Financing Entity not in fact having sufficient funds to pay such Approved Obligations that have become due and payable, in each case determined after taking into account and having regard to (i) any funds available at such time to apply to such Approved Obligations, including in any Finance Reserve Account, Capital Account or collateral posting account applicable under a Derivative Agreement, (ii) the availability of any credit enhancement agreement to which the Financing Entity is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in paragraph (b).

“**Province**” has the meaning ascribed thereto in the first paragraph of this Agreement.

“**Rating Agency**” has the meaning ascribed thereto in the Trust Indenture, except that the reference to “Issuer Funding Obligation” in the definition of “Rating Agency” in the Trust Indenture shall be replaced with a reference to an Issuer Funding Obligation that is an Approved Obligation.

“**Rating Agency Condition**” has the meaning ascribed thereto in the Trust Indenture, except that the reference to “Issuer Funding Obligation” in the definition of “Rating Agency Condition” in the Trust Indenture shall be replaced with a reference to an Issuer Funding Obligation that is an Approved Obligation.

“**Reference Period**” has the meaning ascribed to the term “reference period” in the Act as of the date of this Agreement.

“**Refinancing**” has the meaning ascribed to the term “refinancing” in the Act as of the date of this Agreement, as more particularly described and given meaning in the General Regulation as of the date of this Agreement.

“**Second Currency**” has the meaning ascribed thereto in Section 1.19(b).

“**Specified Creditor**” has the meaning ascribed thereto in the Trust Indenture on the date hereof.

“**Subrogation Amount**” has the meaning ascribed thereto in subclause 2.01(a)iv(B).

“**Subrogation Payment Date**” has the meaning ascribed thereto in clause 2.01(a)iv.

“**Suspension Event**” has the meaning ascribed thereto in Section 7.02.

“**Suspension Notice**” has the meaning ascribed thereto in Section 7.01.

“**this Agreement**” means this agreement, as amended, supplemented, restated or otherwise modified from time to time.

“**True-up Amount**” has the meaning ascribed to the term “true up amount” in the Act as of the date of this Agreement.

“**Trust Indenture**” means the trust indenture between the Financing Entity and the Indenture Trustee dated as of [■], 2017, as amended, supplemented, restated or otherwise modified from time to time.

EXHIBIT A
FORM OF PAYMENT DEMAND

TO: Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the “**Province**”)

Reference is made to the Change of Law Protection Agreement dated [■], 2017 among the Province, Computershare Trust Company of Canada, as trustee of Fair Hydro Trust (the “**Financing Entity**”), Ontario Power Generation Inc., in its capacity as Manager of the Financing Entity and in its capacity as the Financial Services Manager under the *Fair Hydro Plan Act, 2017*, and the Indenture Trustee (the “**Change of Law Protection Agreement**”). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Change of Law Protection Agreement.

Pursuant to and in accordance with section 2.01(a) of the Change of the Law Protection Agreement, the Indenture Trustee hereby demands payment from the Province in respect of the Approved Obligations at the times, in the amounts and subject to the requirements specified in the Change of Law Protection Agreement.

DATED as of the [■] day of [■], [■].

BNY TRUST COMPANY OF CANADA

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT B
FORM OF ADHERENCE COMPLIANCE CERTIFICATE UNDER SECTION 4.02(a)

TO: **BNY TRUST COMPANY OF CANADA**, in its capacity as Indenture Trustee (the “**Indenture Trustee**”) under the Master Trust Indenture dated as of December ●, 2017 between Fair Hydro Trust and the Indenture Trustee (the “**Master Trust Indenture**”)

Reference is made to the Change of Law Protection Agreement dated [■], 2017 among the Province of Ontario, Computershare Trust Company of Canada, as trustee of Fair Hydro Trust, Ontario Power Generation Inc., in its capacity as Manager of the Financing Entity and in its capacity as the Financial Services Manager under the *Fair Hydro Plan Act, 2017*, and the Indenture Trustee (the “**Change of Law Protection Agreement**”). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Change of Law Protection Agreement.

Each of the undersigned, being the ● and ● of OPG acting in its capacity as FSM and holding the offices set forth under their names and signatures below, pursuant to and accordance with clause 4.02(a)ii of the Change of Law Protection Agreement, hereby certifies for and on behalf of OPG, in its capacity as Financial Services Manager, and not in such officer’s personal capacity and intending that this certificate may be relied on by the addressees hereof without independent inquiry, that:

1. I have read and understand the provisions of the Change of Law Protection Agreement, the Master Trust Indenture and all other documents and materials necessary to enable me to deliver this certificate.
2. If the Certified Primary Obligation is a Refinancing, the proceeds of the Refinancing will be used solely for the purpose of repaying one or more Certified Primary Obligations in respect of which the Adherence Conditions in Subsection 4.02(a) of the Change of Law Protection Agreement had been satisfied, including one or more other Refinancings in respect of which the Adherence Conditions in Subsection 4.02(a) of the Change of Law Protection Agreement had been satisfied.
3. OPG has delivered to the Province a certificate signed by the Chief Financial Officer and the Treasurer of OPG, or any two Executive Officers of OPG (for clarity, such certificate was provided by such officers in their capacity as officers of OPG acting in its capacity as FSM) confirming that OPG has complied with all of its obligations to the Province and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation.

DATED as of the [■] day of [■], [■].

Name: ¹
Office:

Name:
Office:

¹ This certificate must be signed by two officers of OPG being either (i) the Chief Financial Officer and the Treasurer, or (ii) any two Executive Officers (as defined in the Change of Law Protection Agreement) of OPG.

EXHIBIT C
SUSPENSION NOTICE

TO: Ontario Power Generation Inc., in its capacity as Financial Services Manager

AND TO: Fair Hydro Trust

AND TO: Computershare Trust Company of Canada, in its capacity as trustee of Fair Hydro Trust

AND TO: BNY Trust Company of Canada, as Indenture Trustee

Reference is made to the Change of Law Protection Agreement dated [■], 2017 among the Province, Computershare Trust Company of Canada, as trustee of Fair Hydro Trust (the “**Financing Entity**”), Ontario Power Generation Inc., in its capacity as Manager of the Financing Entity and in its capacity as the Financial Services Manager under the *Fair Hydro Plan Act, 2017*, and the Indenture Trustee (the “**Change of Law Protection Agreement**”). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Change of Law Protection Agreement. All references in this Suspension Notice to “Articles” or “Sections” refer to Articles or Sections of the Change of Law Protection Agreement.

The Province has a reasonable basis for concluding that an event described in clauses (a) to (d) of Section 7.01 has occurred. Pursuant to Section 7.01, the Province hereby declares that the Limited Guarantee shall hereby not apply in respect of (i) any Primary Obligation incurred, excluding Post-Suspension Refinancings or Pre-Approved Refinancings or (ii) any amendment of any Primary Obligation that has a Material Effect, unless otherwise agreed to by the Province, in each case, on or after delivery of this Suspension Notice.

This Suspension Notice is hereby delivered to the FSM, the Financing Entity and the Indenture Trustee in accordance with Section 8.02 of the Change of Law Protection Agreement.

* * * *

DATED as of the [■] day of [■], [■].

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO, AS REPRESENTED BY THE
MINISTER OF FINANCE**

By: _____
Name:
Title:

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO, AS REPRESENTED BY THE
MINISTER OF ENERGY**

By: _____
Name:
Title: